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 September 30, 2015

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 September 30, 2015 was 57,285,666.

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PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

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

	September 30, 2015	December 31, 2014
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 335,469	$ 610,917
Short-term investments	—	529,395
Accounts receivable, net	293,125	262,570
Current portion of restricted cash	493,425	3,057
Other current assets	120,004	85,004
Total current assets	1,242,023	1,490,943
Long-term investments	4,077	439
Property, plant and equipment, net	5,218,595	4,998,270
Goodwill	983,530	1,002,129
Intangible assets, net	123,454	147,527
Restricted cash, less current portion	10,464	14,060
Other assets	123,523	128,610
Total assets	$ 7,705,666	$ 7,781,978
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 340,366	$ 285,796
Accrued property, plant and equipment	131,607	114,469
Current portion of capital lease and other financing obligations	26,775	21,362
Current portion of mortgage and loans payable	55,024	59,466
Current portion of convertible debt	151,535	—
Dividends payable	640,063	4,559
Other current liabilities	118,744	158,105
Total current liabilities	1,464,114	643,757
Capital lease and other financing obligations, less current portion	1,198,581	1,168,042
Mortgage and loans payable, less current portion	484,049	532,809
Convertible debt, less current portion	—	145,229
Senior notes	2,720,448	2,717,046
Other liabilities	349,821	304,964
Total liabilities	6,217,013	5,511,847
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock	57	57
Additional paid-in capital	3,467,143	3,334,305
Treasury stock	(9,913)	(11,411)
Accumulated dividends	(1,361,675)	(424,387)
Accumulated other comprehensive loss	(488,012)	(332,443)
Accumulated deficit	(118,947)	(295,990)
Total stockholders' equity	1,488,653	2,270,131
Total liabilities and stockholders' equity	$ 7,705,666	$ 7,781,978

See accompanying notes to condensed consolidated financial statements

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(Unaudited)			
Revenues	$686,649	$620,441	$1,995,405	$1,805,655
Costs and operating expenses:				
Cost of revenues	325,468	304,052	939,538	884,436
Sales and marketing	83,709	72,185	243,573	214,867
General and administrative	123,237	109,354	356,455	324,332
Acquisition costs	13,352	(281)	24,374	580
Total costs and operating expenses	545,766	485,310	1,563,940	1,424,215
Income from operations	140,883	135,131	431,465	381,440
Interest income	934	356	2,375	2,534
Interest expense	(76,269)	(63,756)	(219,556)	(199,450)
Other income (expense)	(12,836)	1,811	(11,964)	3,170
Loss on debt extinguishment	—	—	—	(51,183)
Income from operations before income taxes	52,712	73,542	202,320	136,511
Income tax expense	(11,580)	(30,581)	(25,277)	(42,134)
Net income	41,132	42,961	177,043	94,377
Net (income) loss attributable to redeemable non-controlling interests	—	(120)	—	1,179
Net income attributable to Equinix	$ 41,132	$ 42,841	$ 177,043	$ 95,556
Earnings per share ("EPS") attributable to Equinix:				
Basic EPS	$ 0.72	$ 0.81	$ 3.11	$ 1.86
Weighted-average shares	57,082	53,137	56,894	51,369
Diluted EPS	$ 0.71	$ 0.79	$ 3.08	$ 1.84
Weighted-average shares	57,708	55,238	57,521	54,502

See accompanying notes to condensed consolidated financial statements

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

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
	(Unaudited)			
Net income	$ 41,132	$ 42,961	$ 177,043	$ 94,377
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment (“CTA”) loss	(72,677)	(144,994)	(149,546)	(106,943)
Unrealized gain (loss) on available-for-sale securities	(21)	(862)	99	(97)
Unrealized gain (loss) on cash flow hedges	3,309	4,194	(425)	4,448
Net investment hedge CTA gain (loss)	4,426	—	(5,963)	—
Defined benefit plans	124	—	266	—
Total other comprehensive loss, net of tax	(64,839)	(141,662)	(155,569)	(102,592)
Comprehensive income (loss), net of tax	(23,707)	(98,701)	21,474	(8,215)
Net (income) loss attributable to redeemable non-controlling interests	—	(120)	—	1,179
Other comprehensive (income) loss attributable to redeemable non-controlling interests	—	1,007	—	(1,810)
Comprehensive income (loss) attributable to Equinix	$(23,707)	$ (97,814)	$ 21,474	$ (8,846)

See accompanying notes to condensed consolidated financial statements

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

	Nine months ended September 30, 2015	2014
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 177,043	$ 94,377
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	362,069	328,774
Stock-based compensation	98,575	86,473
Excess tax benefits from stock-based compensation	(1,663)	(17,457)
Amortization of intangible assets	19,346	20,953
Amortization of debt issuance costs and debt discounts	11,557	14,840
Provision for allowance for doubtful accounts	4,187	5,326
Loss on debt extinguishment	—	51,183
Other items	12,825	14,684
Changes in operating assets and liabilities:		
Accounts receivable	(42,002)	(104,394)
Income taxes, net	(84,523)	(69,173)
Other assets	(30,829)	6,128
Accounts payable and accrued expenses	75,219	27,110
Other liabilities	57,871	28,299
Net cash provided by operating activities	659,675	487,123
Cash flows from investing activities:		
Purchases of investments	(338,440)	(136,516)
Sales of investments	826,486	550,355
Maturities of investments	35,431	207,341
Business acquisitions, net of cash acquired	(10,247)	—
Purchases of real estate	(38,282)	(16,791)
Purchases of other property, plant and equipment	(587,508)	(421,726)
Changes in restricted cash	(493,371)	1,579
Other investing activities, net	—	(170)
Net cash provided by (used in) investing activities	(605,931)	184,072
Cash flows from financing activities:		
Purchases of treasury stock	—	(297,958)
Proceeds from employee equity awards	29,855	28,183
Excess tax benefits from stock-based compensation	1,663	17,457
Payment of dividends	(291,009)	—
Proceeds from loans payable	490,000	8,826
Repayment of convertible debt	—	(29,479)
Repayment of capital lease and other financing obligations	(20,213)	(13,140)
Repayment of mortgage and loans payable	(529,447)	(37,510)
Debt extinguishment costs	—	(22,552)
Debt issuance costs	(617)	—
Purchase of redeemable non-controlling interests	—	(226,276)
Net cash used in financing activities	(319,768)	(572,449)
Effect of foreign currency exchange rates on cash and cash equivalents	(9,424)	(6,459)
Net increase (decrease) in cash and cash equivalents	(275,448)	92,287
Cash and cash equivalents at beginning of period	610,917	261,894
Cash and cash equivalents at end of period	$ 335,469	$ 354,181

See accompanying notes to condensed consolidated financial statements

EQUINIX, INC.

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 as of December 31, 2014 has been derived from audited consolidated financial statements as of 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 ("GAAP"). 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 March 2, 2015. 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. All significant intercompany accounts and transactions have been eliminated in consolidation.

Income Taxes

In September 2012, the Company announced that its Board of Directors approved a plan for Equinix to pursue conversion to a real estate investment trust ("REIT"). On December 23, 2014, its Board of Directors formally approved its conversion to a REIT effective on January 1, 2015. The Company completed the implementation of the REIT conversion in 2014, and as a result, the Company has elected to be treated as a REIT for federal income tax purposes effective January 1, 2015. In May 2015, the Company received a favorable response to the private letter ruling ("PLR") it had requested from the U.S. Internal Revenue Service ("IRS") in connection with the Company's conversion to a REIT for federal income tax purposes. As a result, the Company may deduct the distributions made to its shareholders from taxable income generated by the Company and its Qualified REIT Subsidiaries ("QRSs"). The Company's dividends paid deduction generally eliminates the taxable income of the Company and its QRSs, resulting in no U.S. income tax due. However, the Taxable REIT Subsidiaries ("TRSs") will continue to be subject to income taxes on any taxable income generated by them. In addition, the foreign operations of the Company will continue to be subject to local income taxes regardless of whether the foreign operations are operated as a QRS or a TRS.

The Company provides for income taxes during interim periods based on the estimated effective tax rate for the year. The effective tax rate is subject to change in the future due to various factors such as the operating performances of the Company, tax law changes and future business acquisitions.

The Company's effective tax rates were 12.5% and 30.9% for the nine months ended September 30, 2015 and 2014, respectively. The decrease in the effective tax rate is primarily due to the reduced tax rate as a result of the REIT conversion. As a REIT, the Company is entitled to a deduction for dividends paid, resulting in a substantial reduction of federal income tax expense.

Recent Accounting Pronouncements

In September 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-16, Business Combinations, to simplify accounting for adjustments made to provisional amounts recognized in a business combination by eliminating the requirement to retrospectively account for those adjustments. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years, with early adoption permitted. The amendments in this ASU require that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization or other income effects as a result of changes to provisional amounts, calculated as if the accounting had been completed at the acquisition date. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

In May 2015, the FASB issued ASU 2015-07, Fair Value Measurement ("ASU 2015-07"), which permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using the net asset value per share of the investment. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years with early adoption permitted. A reporting entity should apply the amendment retrospectively to all periods presented. The retrospective approach requires that an investment for which fair value is measured using the net asset value per share practical expedient be removed from the fair value hierarchy in all periods presented in an entity's financial statements. The Company does not believe the adoption of ASU 2015-07 will have a significant impact on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Interest – Imputation of Interest ("ASU 2015-03"), to simplify the presentation of debt issuance costs. The ASU requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts or premiums. The recognition and measurement guidance for debt issuance costs is not affected by this ASU. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016, with early adoption permitted. In August 2015, the FASB issued ASU 2015-15, Interest – Imputation of Interest Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements ("ASU 2015-15"), which amends ASU 2015-03 and provides guidance for the presentation of debt issuance costs associated with line-of-credit arrangements. ASU 2015-15 provides that debt issuance costs associated with line-of-credit arrangements may be presented in the balance sheet as assets. The Company adopted ASU 2015-03 and ASU 2015-15 in the three months ended September 30, 2015. As a result of the adoption of ASU 2015-03 the Company reclassified debt issuance costs of $35,455,000 at December 31, 2014 and $31,448,000 at September 30, 2015 from other assets to debt.

In February 2015, the FASB issued ASU 2015-02, Consolidations ("ASU 2015-02"). This ASU requires companies to adopt a new consolidation model, specifically: (1) the ASU modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities; (2) the ASU eliminates the presumption that a general partner should consolidate limited partnership; (3) the ASU affects the consolidation analysis of reporting entities involved with VIEs and (4) the ASU provides a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds. This ASU is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

In January 2015, FASB issued ASU 2015-01, Income Statement – Extraordinary and Unusual Items ("ASU 2015-01"), to simplify the income statement presentation requirements by eliminating the concept of extraordinary items. ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The Company does not believe the adoption of ASU 2015-01 will have a significant impact on its consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"), to provide guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016, with early adoption permitted. The Company does not believe the adoption of ASU 2014-15 will have a significant impact on its consolidated financial statements.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). This ASU requires companies to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which companies expect to be entitled in exchange for those goods or services. This ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. This ASU was originally effective for fiscal years and interim periods beginning after December 15, 2016. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers ("ASU 2015-14"), which amends ASU 2014-09 and defers its effective date to fiscal years and interim reporting periods beginning after December 15, 2017. ASU 2015-14 permits earlier application only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

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 September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Net income	$41,132	$42,961	$177,043	$ 94,377
Net (income) loss attributable to redeemable non-controlling interests	—	(120)	—	1,179
Net income attributable to Equinix, basic	41,132	42,841	177,043	95,556
Effect of assumed conversion of convertible debt:				
Interest expense, net of tax	—	885	—	4,862
Net income attributable to Equinix, basic and diluted	$41,132	$43,726	$177,043	$100,418
Weighted-average shares used to calculate basic EPS	57,082	53,137	56,894	51,369
Effect of dilutive securities:				
Convertible debt	—	1,621	—	2,673
Employee equity awards	626	480	627	460
Weighted-average shares used to calculate diluted EPS	57,708	55,238	57,521	54,502
EPS attributable to Equinix:				
Basic EPS	$ 0.72	$ 0.81	$ 3.11	$ 1.86
Diluted EPS	$ 0.71	$ 0.79	$ 3.08	$ 1.84

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 September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Shares reserved for conversion of 4.75% convertible subordinated notes	1,970	1,873	1,956	3,042
Common stock related to employee equity awards	201	156	117	176
	2,171	2,029	2,073	3,218

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

3. Acquisitions

Nimbo Acquisition

On January 14, 2015, the Company acquired all of the issued and outstanding share capital of Nimbo Technologies Inc. ("Nimbo"), a company which specializes in migrating business applications to the cloud with extensive experience moving legacy applications into a hybrid cloud architecture, and connecting legacy data centers to the cloud, for a cash payment of $10,000,000 and a contingent earn-out arrangement to be paid over two years (the "Nimbo Acquisition"). Nimbo continues to operate under the Nimbo name. The Nimbo Acquisition was accounted for using the acquisition method. As a result of the Nimbo Acquisition, the Company recorded goodwill of $17,154,000, which represents the excess of the total purchase price over the fair value of the assets acquired and liabilities assumed. The Company recorded the contingent earn-out arrangement at its estimated fair value. The results of operations for Nimbo are not significant to the Company; therefore, the Company does not present its purchase price allocation or pro forma combined results of operations. In addition, any prospective changes in the Company's earn-out estimates are not expected to have a material effect on the Company's consolidated statement of operations.

Offer for TelecityGroup

On May 29, 2015, the Company announced a cash and share offer for the entire issued and to be issued share capital of Telecity Group plc ("TelecityGroup") for total consideration of approximately £2,351,900,000 or $3,594,409,000. The consummation of the transaction is subject to the satisfaction of certain conditions, including the receipt of regulatory approval, as further described in "Risk Factors". The Company expects to close this transaction in the first half of 2016. As the offer to TelecityGroup includes an element of cash, the Company is required to include a confirmation that the Company has sufficient cash available to fulfill the offer, according to the UK Takeover Code. As a result, the Company placed £322,851,000 or approximately $493,801,000 into a restricted cash account, which was included in the current portion of restricted cash in its condensed consolidated balance sheet. Also, during the three months ended September 30, 2015, the Company entered into various option and forward contracts for the purposes of hedging a portion of the purchase price of the TelecityGroup Acquisition which resulted in a mark-to-market foreign currency loss of $11,636,000 for the three and nine months ended September 30, 2015 recorded in other income (expense) in the accompanying Statements of Operations.

In addition, the Company entered into a bridge credit agreement with J.P. Morgan Chase Bank, N.A. ("JPMCB") as the initial lender and as administrative agent for the lenders from time to time party thereto (the "Lenders") for a principal amount of £875,000,000 or approximately $1,340,000,000 (the "Bridge Loan"). The Bridge Loan has an initial maturity of 12 months from the date of the first drawdown and, at the initial maturity date (if not repaid prior to that time), will be converted into seven-year extended bridge loans. The total estimated initial commitment fees associated with the Bridge Loan are approximately £4,375,000 or $6,701,000 at the exchange rate in effect on May 28, 2015, and will be paid on the earlier of the consummation of the acquisition and the termination of the Bridge Loan. As of September 30, 2015, the Company had accrued commitment fees of approximately $4,970,000 associated with the Bridge Loan in interest expense in its condensed consolidated statement of operations.

The Bridge Loan bears interest during the first three months in which the funds are advanced, at an initial annual rate of LIBOR plus 5.00%. Thereafter, the rate for each subsequent three-month period increases by 0.5% over the applicable margin in effect for the immediately preceding three-month period, subject to a cap (the "Total Cap"). Prior to February 28, 2016, the Total Cap is equal to 1.50% plus the greatest of (i) the yield on the Company's 5.750% senior notes due 2025, (ii) the yield on the J.P. Morgan US Dollar Global High Yield Index minus 1.21% and (iii) 4.875%. On and after February 28, 2016, the Total Cap is equal to 1.75% plus the greatest of (i) the yield on the Company's 5.750% senior notes due 2025, (ii) the yield on the J.P. Morgan US Dollar Global High Yield Index minus 1.21% and (iii) 4.875%. Under certain circumstances the Bridge Loan will bear interest at the Total Cap as determined weekly. The Bridge Loan is unsecured and is guaranteed by certain of the Company's domestic subsidiaries. As of

September 30, 2015, the Company had not made any advances on the Bridge Loan. The Company intends to obtain permanent financing prior to the closing of the TelecityGroup acquisition to replace and terminate the Bridge Loan.

Offer for Bit-isle

On September 8, 2015, the Company announced that, acting through its Japanese subsidiary, it had commenced a cash tender offer for all issued and outstanding shares of Tokyo-based Bit-isle Inc. (“Bit-isle”). The offer price was ¥922.0 per share, in an all cash transaction totaling ¥33,300,000,000 or approximately $280,000,000. The tender offer period ran from September 9, 2015 to October 26, 2015. The offer was conditioned on, among other things, the tender by Bit-isle shareholders of more than 66 2/3% of the Bit-isle shares and approximately 97% of shares (including stock options) were tendered. The Company will move forward to acquire the remaining shares under Japanese corporate law. The Company expects to complete the acquisition by the end of 2015.

On September 30, 2015, the Company, acting through its Japanese subsidiaries, as borrowers, entered into a Term Loan Agreement (the “Bridge Term Loan Agreement”) with The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”). Pursuant to the Bridge Term Loan Agreement, BTMU has committed to provide a senior bridge term loan facility (the “Bridge Term Loan”) in the amount of up to ¥47,500,000,000, or approximately $395,833,000, at the exchange rate in effect on September 30, 2015. Proceeds from the Bridge Term Loan are to be used exclusively for the acquisition of Bit-isle, the repayment of Bit-isle’s existing debt and transaction costs incurred in connection with the closing of the Bridge Term Loan and the acquisition of Bit-isle. As of September 30, 2015, there have been no borrowings on the Bridge Term Loan. In October 2015, Company had the first draw down of JPY27,260,000,000 or approximately $226,940,000, at the exchange rate in effect on September 30, 2015 in preparation of closing the transaction.

The Bridge Term Loan is due one year after borrowing the first tranche. Borrowings under the Bridge Loan will bear interest at the Tokyo Interbank Offered Rate for Japanese Yen, plus a margin of 0.4% per annum for the first ten months following the borrowing of the first tranche of the Bridge Loan, which margin increases to 1.75% per annum thereafter. The Company intends to obtain permanent financing to replace and terminate the Bridge Term Loan prior to the maturity date.

4. Derivatives and Hedging Activities

Derivatives Designated as Hedging Instruments

Net Investment Hedges. The Company is exposed to the impact of foreign exchange rate fluctuations in the investments in its wholly-owned foreign subsidiaries that are denominated in currencies other than the U.S. dollar. In order to mitigate the volatility in foreign currency exchange rates, the Company entered into a foreign currency term loan in April 2015 (as discussed in Note 7) and designated 100% of the term loan to hedge its net investments in its wholly-owned foreign subsidiaries that are denominated in the same foreign currencies as the term loan. All changes in the fair value of the hedging instrument designated as a net investment hedge, except the ineffective portion, are recorded as a component of other comprehensive income on the condensed consolidated balance sheet. As of September 30, 2015, the Company designated its foreign currency term loan to hedge investments in its wholly-owned foreign subsidiaries. As a result, the Company recorded foreign exchange gains of $4,426,000 in other comprehensive income for the three months ended September 30, 2015 and foreign exchange losses of $5,963,000 in other comprehensive income for the nine months ended September 30, 2015. The Company recorded no ineffectiveness from its net investment hedges for the three and nine months ended September 30, 2015.

Cash Flow Hedges. The Company hedges its exposure to foreign currency exchange rate fluctuations for forecasted revenues and expenses in its EMEA region in order to help manage the Company’s exposure to foreign currency exchange rate fluctuations between the U.S. dollar and the British pound, Euro and Swiss franc.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

Effective January 1, 2015, the Company entered into intercompany derivative hedging instruments ("intercompany derivatives") with a wholly-owned subsidiary of the Company and simultaneously entered into derivative contracts with unrelated parties to hedge certain forecasted revenues and expenses denominated in currencies other than the U.S. dollar. The following disclosure is prepared on a consolidated basis; intercompany assets and liabilities resulting from intercompany derivatives are eliminated in consolidation.

As of September 30, 2015, the Company's cash flow hedges had maturities within 1 month to 2.25 years, as follows (in thousands):

	Notional Amount	Fair Value (1)	Accumulated other comprehensive income (loss) (2) (3)
Derivative assets	$345,806	$ 11,171	$ 23,874
Derivative liabilities	92,137	(2,310)	(15,637)
	$437,943	$ 8,861	$ 8,237

(1) All derivative assets related to cash flow hedges are included in the condensed consolidated balance sheets within other current assets, other assets, other current liabilities and other liabilities.
(2) Included in the condensed consolidated balance sheets within accumulated other comprehensive income (loss).
(3) The Company recorded a net gain of $8,112 within accumulated other comprehensive income (loss) relating to cash flow hedges that will be reclassified to revenue and expenses as they mature in the next 12 months.

As of December 31, 2014, the Company's cash flow hedges had maturities within 1 month to 1 year as follows (in thousands):

	Notional Amount	Fair Value (1)	Accumulated other comprehensive income (loss) (2)
Derivative assets	$281,055	$ 8,404	$ 8,480
Derivative liabilities	—	—	—
	$281,055	$ 8,404	$ 8,480

(1) All derivative assets related to cash flow hedges are included in the condensed consolidated balance sheets within other current assets, other assets, other current liabilities and other liabilities.
(2) Included in the condensed consolidated balance sheets within accumulated other comprehensive income (loss).

During the three months ended September 30, 2015 and 2014, there were no ineffective cash flow hedges. During the three months ended September 30, 2015, the amount of gains reclassified from accumulated other comprehensive income (loss) to revenue were $5,590,000 and the amount of net losses reclassified from accumulated other comprehensive income (loss) to operating expenses were insignificant. During the three months ended September 30, 2014, the amount of gains (losses) reclassified from accumulated other comprehensive income (loss) to revenue and operating expenses were not significant.

During the nine months ended September 30, 2015 and 2014, there were no ineffective cash flow hedges. During the nine months ended September 30, 2015, gains of $21,096,000 were reclassified from accumulated other comprehensive income (loss) to revenue and net losses of $4,167,000 were reclassified from accumulated other comprehensive income (loss) to operating expenses. During the nine months ended September 30, 2014, net gains (losses) reclassified from accumulated other income (loss) to revenues and operating expenses were not significant.

Derivatives Not Designated as Hedging Instruments

Embedded Derivatives. The Company is deemed to have foreign currency forward contracts embedded in certain of the Company's customer agreements that are priced in currencies different from the functional or local currencies of the parties involved. These embedded derivatives are separated from their host contracts and carried on the Company's balance sheet at their fair value. The majority of these embedded derivatives arise as a result of the Company's foreign subsidiaries pricing their customer contracts in the U.S. dollar. Gains and losses on these embedded derivatives are included within revenues in the Company's condensed consolidated statements of operations. During the three months ended September 30, 2015, the gains (losses) associated with these embedded were not significant. During the three months ended September 30, 2014 the Company recognized a net gain of $2,745,000 associated with these embedded derivatives. During the nine months ended September 30, 2015 and 2014, the gains (losses) associated with these embedded derivatives were not significant.

Economic Hedges of Embedded Derivatives. The Company uses foreign currency forward contracts to manage the foreign exchange risk associated with the Company's embedded derivatives ("economic hedges of embedded derivatives"). Gains and losses on these contracts are included in revenues along with gains and losses of the related embedded derivatives. The Company entered into various economic hedges of embedded derivatives during the three and nine months ended September 30, 2015 and 2014. During the three months ended September 30, 2015, the gains (losses) from these contracts were not significant and during the three months ended September 30, 2014, the Company recognized a net loss of $2,979,000. During the nine months ended September 30, 2015, the Company recognized a net loss of $2,019,000 and during the nine months ended September 30, 2014, the gains (losses) from these contracts were not significant.

Foreign Currency Forward and Option Contracts. The Company also uses foreign currency forward and options 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. 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 and options contracts. During the three months ended September 30, 2015 and 2014, the company recognized a net gain of $12,776,000 and $4,073,000, respectively, associated with these contracts. During the nine months ended September 30, 2015 and 2014, the Company recognized a net gain of $10,315,000 and $6,975,000, respectively.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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Offsetting Derivative Assets and Liabilities

The following table presents the fair value of derivative instruments recognized in the Company's condensed consolidated balance sheets as of September 30, 2015 (in thousands):

	Gross Amounts	Gross amounts offset in the balance sheet	Net amounts (1)	Gross amounts not offset in the balance sheet (2)	Net
Assets:					
Designated as hedging instruments:					
Foreign currency forward contracts	$11,171	$ —	$ 11,171	$ (2,310)	$ 8,861
Not designated as hedging instruments:					
Embedded derivatives	10,411	—	10,411	—	10,411
Economic hedges of embedded derivatives	17	—	17	(17)	—
Foreign currency forward and option contracts	18,942	—	18,942	(10,655)	8,287
	29,370	—	29,370	(10,672)	18,698
Additional netting benefit	—	—	—	(4,223)	(4,223)
	$40,541	$ —	$ 40,541	$ (17,205)	$23,336
Liabilities:					
Designated as hedging instruments:					
Foreign currency forward contracts	$ 2,310	$ —	$ 2,310	$ (2,310)	$ —
Not designated as hedging instruments:					
Embedded derivatives	1,649	—	1,649	—	1,649
Economic hedges of embedded derivatives	194	—	194	(17)	177
Foreign currency forward and option contracts	15,182	—	15,182	(10,655)	4,527
	17,025	—	17,025	(10,672)	6,353
Additional netting benefit	—	—	—	(4,223)	(4,223)
	$19,335	$ —	$ 19,335	$ (17,205)	$ 2,130

(1) As presented in the Company's condensed consolidated balance sheets within other current assets, other assets, other current liabilities and other liabilities.
(2) The Company enters into master netting agreements with its counterparties for transactions other than embedded derivatives to mitigate credit risk exposure to any single counterparty. Master netting agreements allow for individual derivative contracts with a single counterparty to offset in the event of default.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

The following table presents the fair value of derivative instruments recognized in the Company's condensed consolidated balance sheets as of December 31, 2014 (in thousands):

	Gross Amounts	Gross amounts offset in the balance sheet	Net balance sheet amounts (1)	Gross amounts not offset in the balance sheet (2)	Net
Assets:					
Designated as hedging instruments:					
Foreign currency forward contracts	$ 8,404	$ —	$ 8,404	$ —	$ 8,404
Not designated as hedging instruments:					
Embedded derivatives	9,182	—	9,182	—	9,182
Foreign currency forward and option contracts	5,153	—	5,153	(138)	5,015
	14,335	—	14,335	(138)	14,197
Additional netting benefit	—	—	—	(508)	(508)
	$22,739	$ —	$ 22,739	$ (646)	$22,093
Liabilities:					
Designated as hedging instruments:					
Foreign currency forward contracts	$ —	$ —	$ —	$ —	$ —
Not designated as hedging instruments:					
Embedded derivatives	4	—	4	—	4
Economic hedges of embedded derivatives	390	—	390	—	390
Foreign currency forward and option contracts	416	—	416	(138)	278
	810	—	810	(138)	672
Additional netting benefit	—	—	—	(508)	(508)
	$ 810	$ —	$ 810	$ (646)	$ 164

(1) As presented in the Company's condensed consolidated balance sheets within other current assets, other assets, other current liabilities and other liabilities.
(2) The Company enters into master netting agreements with its counterparties for transactions other than embedded derivatives to mitigate credit risk exposure to any single counterparty. Master netting agreements allow for individual derivative contracts with a single counterparty to offset in the event of default.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

5. Fair Value Measurements

The Company's financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2015 were as follows (in thousands):

	Fair value at September 30, 2015	Fair value measurement using Level 1	Level 2
Assets (1):			
Money market and deposit accounts	$ 8,020	$8,020	$ —
Certificates of deposit	4,077	—	4,077
Derivative instruments (2)	40,541	—	40,541
	$ 52,638	$8,020	$44,618
Liabilities:			
Derivative instruments (2)	$ 19,335	$ —	$19,335
	$ 19,335	$ —	$19,335

(1) Excludes cash and restricted cash.
(2) Includes both foreign currency embedded derivatives and foreign currency forward contracts. Amounts are included within other current asset, other assets, others current liabilities and other liabilities in the Company's accompanying consolidated condensed balance sheet.

The Company's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2014 were as follows (in thousands):

	Fair value at December 31, 2014	Fair value measurement using Level 1	Level 2
Assets (1):			
Money market and deposit accounts	$ 402,964	$402,964	$ —
U.S. government securities	336,440	336,440	—
U.S. government agency securities	192,955	—	192,955
Certificates of deposit	439	—	439
Derivative instruments (2)	22,739	—	22,739
	$ 955,537	$739,404	$216,133
Liabilities:			
Derivative instruments (2)	$ 810	$ —	$ 810
	$ 810	$ —	$ 810

(1) Excludes cash and restricted cash
(2) Includes embedded derivatives and foreign currency forward contracts. Amounts are included within other current assets, other assets, other current liabilities and other liabilities in the Company's accompanying condensed consolidated balance sheet.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

The Company did not have any significant Level 3 financial assets or financial liabilities as of September 30, 2015 and December 31, 2014.

6. Leases

Capital Lease and Other Financing Obligations

Atlanta 1 Capital Lease

In May 2015, the Company entered into a lease amendment to extend the lease term of the Company's Atlanta 1 IBX (the "AT1 Lease"). The lease was originally accounted for as an operating lease. Pursuant to the accounting standard for leases, the Company reassessed the lease classification of the AT1 Lease as a result of the lease amendment and determined that upon the amendment the lease should be accounted for as a capital lease. The Company recorded a capital lease asset and liability totaling approximately $21,274,000 during the three months ended June 30, 2015. The lease term was extended to September 2035.

Atlanta 2 Capital Lease

In January 2015, the Company entered into a lease amendment to extend the lease term of the Company's Atlanta 2 IBX (the "AT2 Lease"). The lease was originally accounted for as an operating lease. Pursuant to the accounting standard for leases, the Company reassessed the lease classification of the AT2 Lease as a result of the lease amendment and determined that upon the amendment the lease should be accounted for as a capital lease. The Company recorded a capital lease asset totaling approximately $25,960,000 and a capital lease liability totaling approximately $26,230,000 during the three months ended March 31, 2015. The lease term, including a renewal option, was extended to December 2024.

Maturities of Capital Lease and Other Financing Obligations

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

	Capital lease obligations	Other financing obligations (1)	Total
2015 (3 months remaining)	$ 18,735	$ 13,638	$ 32,373
2016	68,032	55,761	123,793
2017	70,086	58,794	128,880
2018	72,151	60,231	132,382
2019	74,063	58,412	132,475
Thereafter	904,734	559,075	1,463,809
Total minimum lease payments	1,207,801	805,911	2,013,712
Plus amount representing residual property value	—	408,683	408,683
Less estimated building costs	—	(4,580)	(4,580)
Less amount representing interest	(573,481)	(618,978)	(1,192,459)
Present value of net minimum lease payments	634,320	591,036	1,225,356
Less current portion	(18,399)	(8,376)	(26,775)
	$ 615,921	$ 582,660	$ 1,198,581

1. Other financing obligations are primarily build-to-suit lease obligations.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

7. Debt Facilities

Mortgage and Loans Payable

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

	September 30, 2015	December 31, 2014
Term loan	$ 475,631	$ 500,000
ALOG financings (1)	32,766	56,863
Mortgage payable and other loans payable	31,505	36,608
	539,902	593,471
Less amount representing debt discount and debt issuance cost (2)	(2,891)	(3,477)
Plus amount representing mortgage premium	2,062	2,281
	539,073	592,275
Less current portion	(55,024)	(59,466)
	$ 484,049	$ 532,809

(1) ALOG Data Centers do Brasil S.A.
(2) The Company adopted ASU 2015-03 during the three months ended September 30, 2015. As a result, debt issuance costs of $1,594,000 and $1,877,000 were reclassified from other assets to debt as of September 30, 2015 and December 31, 2014, respectively.

On April 30, 2015, the Company, as borrower, and certain subsidiaries as guarantors entered into an amendment (the "Amendment") to its credit agreement dated December 17, 2014 (the "Original Credit Agreement" and, as amended, the "Amended Credit Agreement"). The Original Credit Agreement provided for a senior credit facility of $1,500,000,000, comprised of (i) a $1,000,000,000 senior secured multi-currency revolving credit facility and (ii) a $500,000,000 senior secured term loan facility (the "Term Loan Facility"). The Amended Credit Agreement facilitated the conversion of the outstanding U.S. dollar-denominated principal amount of the Term Loan Facility to an approximately equivalent amount denominated in four foreign currencies. In connection with the execution of the Amended Credit Agreement, on April 30, 2015 the Company prepaid the U.S. dollar-denominated $490,000,000 principal balance of the Term Loan Facility and immediately re-borrowed under the Term Loan Facility the aggregate principal amounts of CHF 47,780,000, €184,945,000, £92,586,000 and ¥11,924,000,000, or approximately $490,000,000. The Company accounted for this transaction as a debt modification. The Company did not incur any gains or losses relating to the debt modification.

The Company will repay the Term Loan Facility in equal quarterly installments on the last business day of each March, June, September and December, commencing on June 30, 2015, equal to the amount of 2.00% of the result of the respective Term Loan Facility on April 30, 2015 divided by 0.98. The remaining principal amount will be paid on the maturity date of the Term Loan Facility.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

Convertible Debt

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

	September 30, 2015	December 31, 2014
4.75% convertible subordinated notes	$ 157,885	$ 157,885
Less amount representing debt discount and debt issuance cost (1)	(6,350)	(12,656)
	$ 151,535	$ 145,229

(1) The Company adopted ASU 2015-03 during the three months ended September 30, 2015. As a result, debt issuance costs of $303,000 and $624,000 were reclassified from other assets to debt as of September 30, 2015 and December 31, 2014, respectively.

4.75% Convertible Subordinated Notes

Holders of the 4.75% convertible subordinated notes were eligible to convert their notes during the quarter ended September 30, 2015 and are eligible to convert their notes during the three months ending December 31, 2015, since the stock price condition conversion clause was met during the applicable periods. As of September 30, 2015, 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 1,976,736 shares of the Company's common stock.

The 4.75% convertible subordinated notes are scheduled to mature on June 15, 2016. Upon maturity (and assuming that no conversion occurs prior to such maturity), the Company will be obligated to settle any outstanding principal amount of the notes and accrued interest in cash. In addition, should conversion occur prior to maturity, the Company may, at its election, settle the obligation either in cash, stock or a combination of cash and stock.

To minimize the impact of potential dilution upon conversion of the 4.75% convertible subordinated notes, the Company entered into capped call transactions (the "Capped Call") separate from the issuance of the 4.75% convertible subordinated notes and paid a premium of $49,664,000 for the Capped Call in 2009. The Capped Call covers a total of approximately 4,432,638 shares of the Company's common stock, subject to adjustment. Under the Capped Call, the Company effectively raised the conversion price of the 4.75% convertible subordinated notes from $84.32 to $114.82.

Pursuant to the declaration of the quarterly dividend in July 2015, the Company further amended the Capped Call agreement to adjust the effective conversion price of the 4.75% convertible subordinated notes from $79.87 to $108.68 per share of common stock. Depending upon the Company's stock price at the time the 4.75% convertible subordinated notes are redeemed, the settlement of the Capped Call will result in a delivery of up to 1,240,460 shares of the Company's common stock to the Company; however, the Company will receive no benefit from the Capped Call if the Company's stock price is $79.87 or lower at the time of conversion and will receive less shares than the 1,240,460 share maximum as described above for share prices in excess of $108.68 at the time of conversion than it would have received at a share price of $108.68 (the Company's benefit from the Capped Call is capped at $108.68 and the benefit received begins to decrease above this price).

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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Senior Notes

The Company's senior notes consisted of the following as of (in thousands):

	September 30, 2015	December 31, 2014
5.375% Senior Notes due 2023	$ 1,000,000	$ 1,000,000
5.375% Senior Notes due 2022	750,000	750,000
4.875% Senior Notes due 2020	500,000	500,000
5.75% Senior Notes due 2025	500,000	500,000
	2,750,000	2,750,000
Less amount representing debt issuance cost (1)	(29,552)	(32,954)
	$ 2,720,448	$ 2,717,046

(1) The Company adopted ASU 2015-03 during the three months ended September 30, 2015, which resulted in a reclass of debt issuance costs from other assets to debt.

Maturities of Debt Facilities

The following table sets forth maturities of the Company's debt, including mortgage and loans payable, convertible debt and senior notes and excluding debt discounts and premium as of September 30, 2015 (in thousands):

Year ending:	
2015 (3 months remaining)	$ 16,268
2016	212,791
2017	50,100
2018	46,565
2019	345,401
Thereafter	2,778,724
	$3,449,849

Fair Value of Debt Facilities

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

	September 30, 2015	December 31, 2014
Mortgage and loans payable	$ 539,187	$ 553,045
Convertible debt	160,600	162,159
Senior notes	2,731,233	2,790,023

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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The Company has determined that the inputs used to value its debt facilities fall within Level 2 of the fair value hierarchy.

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 September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Interest expense	$76,269	$63,756	$219,556	$199,450
Interest capitalized	1,831	5,565	8,677	13,050
Interest charges incurred	$78,100	$69,321	$228,233	$212,500

8. Commitments and Contingencies

Purchase Commitments

Primarily as a result of the Company's various IBX expansion projects, as of September 30, 2015, the Company was contractually committed for $244.7 million 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 data centers and make them available to customers for installation. In addition, the Company had numerous other, non-capital purchase commitments in place as of September 30, 2015, such as commitments to purchase power in select locations through the remainder of 2015 and thereafter, and other open purchase orders for goods or services to be delivered or provided during the remainder of 2015 and thereafter. Such other miscellaneous purchase commitments totaled $395.9 million as of September 30, 2015.

In connection with the cash and share offer to TelecityGroup, the Company has entered into a cooperation agreement with TelecityGroup to secure the clearances and authorization necessary to satisfy the regulatory pre-condition to the TelecityGroup acquisition. The Company has agreed to pay to TelecityGroup £50,000,000 or approximately $76,415,000 if: (i) on or prior to November 29, 2016, the Company invokes the regulatory approvals condition, or (ii) on November 29, 2016, the regulatory approvals condition is not satisfied or waived by the Company.

9. 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, 2014	Net Change	Balance as of September 30, 2015
Foreign currency translation adjustment ("CTA") gain (loss)	$ (336,946)	$(149,546)	$ (486,492)
Unrealized gain (loss) on cash flow hedges	6,603	(425)	6,178
Unrealized gain (loss) on available-for-sale securities	(99)	99	—
Net investment hedge CTA loss	—	(5,963)	(5,963)
Defined benefit plans	(2,001)	266	(1,735)
	$ (332,443)	$(155,569)	$ (488,012)

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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Changes in foreign currency exchange rates 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. As of September 30, 2015, the U.S. dollar was generally stronger relative to certain of the currencies of the foreign countries in which the Company operates. This overall strength of the U.S. dollar had an overall unfavorable impact on the Company's consolidated financial position because the foreign denominations translated into less U.S. dollars as evidenced by an increase in foreign currency translation loss for the nine months ended September 30, 2015 as reflected in the above table. 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.

Dividends

In September 2015, the Company's Board of Directors declared a special distribution of $627,289,000, or approximately $10.95 per share (the "2015 Special Distribution"), to its common stockholders. The 2015 Special Distribution represents an amount that includes the sum of: (1) foreign earnings and profits repatriated as dividend income in 2015; (2) taxable income in 2015 from depreciation recapture in respect of accounting method changes commenced in the Company's pre-REIT period; and (3) certain other items of taxable income. The Company expects that the value of the 2015 Special Distribution, plus all of its other distributions during 2015, will equal or exceed the taxable income the Company expects to recognize in 2015.

The 2015 Special Distribution is payable on November 10, 2015 to the Company's common stockholders of record as of the close of business on October 8, 2015. Common stockholders can elect to receive payment of the 2015 Special Distribution in the form of stock or cash, with total cash payment to all stockholders limited to no more than $125.4 million, or 20% of the total distribution. The amount of common stock to be distributed will be determined based upon the average closing price of the common stock on the three consecutive trading days commencing November 3, 2015.

On July 29, 2015, the Company declared a quarterly cash dividend of $1.69 per share, with a record date of August 26, 2015 and a payment date of September 16, 2015. The Company paid a total of $96,408,000 on September 16, 2015 for the third quarter cash dividend. In addition, the Company accrued an additional $2,244,000 in dividends payable for the restricted stock units that have not yet vested.

On May 7, 2015, the Company declared a quarterly cash dividend of $1.69 per share, with a record date of May 27, 2015 and a payment date of June 17, 2015. The Company paid a total of $96,203,000 on June 17, 2015 for the second quarter cash dividend. In addition, the Company accrued an additional $2,443,000 in dividends payable for the restricted stock units that have not yet vested.

On February 19, 2015, the Company declared a quarterly cash dividend of $1.69 per share, with a record date of March 11, 2015 and a payment date of March 25, 2015. The Company paid a total of $96,196,000 on March 25, 2015 for the first quarter cash dividend. In addition, the Company accrued an additional $2,630,000 in dividends payable for the restricted stock units that have not yet vested.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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Stock-Based Compensation

In February 2015, the Compensation Committee and the Stock Award Committee of the Company's Board of Directors approved the issuance of an aggregate of 586,646 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 $222.40 and a weighted-average requisite service period of 3.44 years. The valuation of restricted stock units with only a service condition or a service and performance condition requires no significant assumptions as the fair value for these types of equity awards is based solely on the fair value of the Company's stock price on the date of grant. In connection with the Company's REIT conversion, the Company used revenue and adjusted funds from operations ("AFFO") as the performance measurements in the restricted stock units with both service and performance conditions that were granted in February 2015, whereby revenue and adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") were used as the performance measurements in prior years' grants.

The Company uses a Monte Carlo simulation option-pricing model to determine the fair value of restricted stock units with a service and market condition. There were no significant changes in the assumptions used to determine the fair value of restricted stock units with a service and market condition that were granted in 2015 compared to the prior year.

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 September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Cost of revenues	$ 2,514	$ 2,145	$ 7,371	$ 6,243
Sales and marketing	9,173	7,256	27,806	22,199
General and administrative	22,282	18,261	63,398	58,031
	$33,969	$27,662	$98,575	$86,473

10. 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 reportable segments. The Company defines adjusted EBITDA as income from operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges and acquisition costs as presented below (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Adjusted EBITDA:				
Americas	$ 174,170	$ 160,075	$ 517,790	$ 467,763
EMEA	81,403	69,786	236,967	198,342
Asia-Pacific	65,899	54,000	183,725	153,421
Total adjusted EBITDA	321,472	283,861	938,482	819,526
Depreciation, amortization and accretion expense	(133,268)	(121,349)	(384,068)	(351,033)
Stock-based compensation expense	(33,969)	(27,662)	(98,575)	(86,473)
Acquisition costs	(13,352)	281	(24,374)	(580)
Income from operations	$ 140,883	$ 135,131	$ 431,465	$ 381,440

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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The Company also provides the following additional segment disclosures (in thousands):

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Total revenues:				
Americas	$382,630	$347,412	$1,118,046	$1,019,701
EMEA	177,563	161,580	516,153	470,172
Asia-Pacific	126,456	111,449	361,206	315,782
	$686,649	$620,441	$1,995,405	$1,805,655
Total depreciation and amortization:				
Americas	$ 69,721	$ 66,198	$ 205,674	$ 188,990
EMEA	32,851	27,454	86,991	84,875
Asia-Pacific	29,831	26,370	88,750	75,862
	$132,403	$120,022	$ 381,415	$ 349,727
Capital expenditures:				
Americas	$105,250	$ 77,241	$ 340,905(1) (2)	$ 232,462
EMEA	39,816	35,177	124,299	77,842
Asia-Pacific	70,980	43,586	170,834	128,212(3)
	$216,046	$156,004	$ 636,038	$ 438,516

(1) Includes the purchase price for the business acquisitions, net of cash acquired, which totaled $10,247.
(2) Includes the purchase price for the San Jose land purchase, which totaled $38,282.
(3) Includes the purchase of real estate totaling $16,791.

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

	September 30, 2015	December 31, 2014
Americas	$ 3,022,087	$ 2,874,562
EMEA	1,136,938	1,135,319
Asia-Pacific	1,059,570	988,389
	$ 5,218,595	$ 4,998,270

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Colocation	$511,652	$462,466	$1,489,807	$1,349,749
Interconnection	110,568	95,648	316,887	273,643
Managed infrastructure	22,327	27,757	69,648	80,997
Rental	2,174	2,566	6,727	7,909
Recurring revenues	646,721	588,437	1,883,069	1,712,298
Non-recurring revenues	39,928	32,004	112,336	93,357
	$686,649	$620,441	$1,995,405	$1,805,655

No single customer accounted for 10% or greater of the Company's revenues for the three and nine months ended September 30, 2015 and 2014. No single customer accounted for 10% or greater of the Company's gross accounts receivable as of September 30, 2015 and December 31, 2014.

11. Subsequent Events

On October 28, 2015, the Company declared a quarterly cash dividend of $1.69 per share, which is payable on December 16, 2015 to the Company's common stockholders of record as of the close of business on December 9, 2015.

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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

In September 2015, as more fully described in Note 3 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we announced a cash tender offer for all issued and outstanding shares of Tokyo-based Bit-isle Inc. ("Bit-isle") valued at ¥33.3 billion Japanese Yen or approximately $280.0 million U.S. dollars at the time of the announcement. The tender offer period ran from September 9, 2015 to October 26, 2015. The offer was conditioned on, among other things, the tender by Bit-isle shareholders of more than 66 2/3% of the Bit-isle shares and approximately 97% of shares (including stock options) were tendered. We will move forward to acquire the remaining shares under Japanese corporate law and expect to complete the acquisition by the end of 2015. In connection with the transaction, we entered into a term loan agreement with The Bank of Tokyo-Mitsubishi UJF, LTD ("BTMU"). Pursuant to the term loan agreement, BTMU has committed to provide a senior bridge term loan facility ("Bridge Term Loan") of up to ¥47.5 billion or approximately $395.8 million. The Bridge Term Loan is dedicated solely for the acquisition of Bit-isle, the repayment of Bit-isle's existing debt and transaction costs incurred in connection with the closing of the Bridge Term Loan and the acquisition of Bit-isle. In October 2015, we had the first draw down of JPY 27.3 billion or approximately $226.9 million, at the exchange rate in effect on September 30, 2015, in preparation of closing the transaction. The Bridge Term Loan is due one year after borrowing the first tranche. We intend to obtain permanent financing to replace and terminate the Bridge Term Loan prior to the maturity date.

In May 2015, as more fully described in Note 3 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we announced an offer for the entire issued and to be issued share capital of Telecity Group plc ("TelecityGroup"), valued at approximately £2.4 billion or $3.6 billion at the time of the announcement. The consummation of the transaction is subject to the satisfaction of certain conditions, including the receipt of regulatory approval, as further described in "Risk Factors". We expect to close this transaction in the first half of 2016. In connection with the transaction, we also entered into a bridge credit agreement with J.P. Morgan Chase Bank, N.A. ("JPMCB") as the initial lender and as administrative agent for the lenders from time to time who will be a party thereto (the

“Lenders”), for a principal amount of £875.0 million or approximately $1.3 billion (the “Bridge Loan”). The Bridge Loan is dedicated solely for the acquisition of TelecityGroup and to satisfy funds certainty requirements. We intend to obtain permanent financing prior to the closing of the acquisition to replace and terminate the Bridge Loan.

In April 2015, as more fully described in Note 7 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we entered into an amendment (the “Amendment”) of our Credit Agreement dated December 17, 2014 (the “Original Credit Agreement”). The Amendment allowed for the conversion of the outstanding U.S. dollar-denominated principal amount of the term loan facility to an approximately equivalent amount denominated in four foreign currencies. In connection with the execution of the Amendment, on April 30, 2015, we repaid the U.S. dollar-denominated $490.0 million principal balance of the term loan facility and immediately re-borrowed under the term loan facility the aggregate principal amount of CHF 47.8 million, €184.9 million, £92.6 million and ¥11.9 million, or approximately $490.0 million.

Equinix provides global data center offerings 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 33 markets around the world for the safehousing 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 solutions: (i) premium data center colocation, (ii) interconnection and (iii) exchange and outsourced IT infrastructure services. As of September 30, 2015, we operated or had partner International Business Exchange® (“IBX”) data centers in the Atlanta, Boston, Chicago, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Rio De Janeiro, Sao Paulo, Seattle, Silicon Valley, Toronto and Washington, D.C. metro areas in the Americas region; France, Germany, Italy, the Netherlands, Switzerland, the United Arab Emirates and the United Kingdom in the Europe, Middle East and Africa (“EMEA”) region; and Australia, China, Hong Kong, Indonesia, Japan and Singapore in the Asia-Pacific region.

Our data centers in 33 markets around the world are a global platform, which allows our customers to increase information and application delivery performance while significantly reducing costs. Based on our global 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 offerings. These partners, in turn, pull in their business partners, creating a “marketplace” for their services. Our global platform enables scalable, reliable and cost-effective colocation, interconnection and traffic exchange that lowers overall cost and increases flexibility. Our focused business model is built on our critical mass of customers and the resulting “marketplace” effect. This global platform, combined with our strong financial position, continues to drive new customer growth and bookings.

Historically, our market has been served by large telecommunications carriers who have bundled telecommunications products and services with their colocation offerings. The data center market landscape has evolved to include cloud computing/utility providers, application hosting providers and systems integrators, managed infrastructure hosting providers and colocation providers. More than 350 companies provide data center solutions in the U.S. alone. Each of these data center solutions providers can bundle various colocation, interconnection and network offerings, and outsourced IT infrastructure services. We are able to offer our customers a global platform that reaches 15 countries with proven operational reliability, improved application performance and network choice, and a highly scalable set of offerings.

Our utilization rate was approximately 81% as of September 30, 2015 and 77% as of September 30, 2014; 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 84% as of September 30, 2015. 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 IBX data 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 IBX data 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 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 on a free cash flow basis, 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 and related interconnection and managed infrastructure offerings. We consider these offerings recurring because 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 any given quarter of the past three years, more than half of our monthly recurring revenue bookings came from existing customers, contributing to our revenue growth. During the three months ended September 30, 2015 and 2014, our largest customer accounted for approximately 3% and 2% of our recurring revenues, respectively. Our 50 largest customers accounted for approximately 37% and 35% of our recurring revenues for the three months ended September 30, 2015 and 2014, respectively. During the nine months ended September 30, 2015 and 2014, our largest customer accounted for approximately 3% and 2% of our recurring revenues, respectively. Our 50 largest customers accounted for approximately 36% and 34% of our recurring revenues for the nine months ended September 30, 2015 and 2014, respectively.

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 because they are billed typically once, upon completion of the installation or the 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 expected life of the customer installation. 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 related interconnection offerings, and our EMEA and Asia-Pacific revenues are derived primarily from colocation and managed infrastructure offerings.

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 our customers. 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 revenues over time, although we expect each of them to grow in absolute dollars in connection with our growth. 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 the EMEA or Asia-Pacific region, 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 that sees the Americas having the lowest cost of revenues as a percentage of revenues 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 may periodically increase as a percentage of revenues as we continue to scale our operations to invest in sales and marketing initiatives to further increase our revenue, including the hiring of additional headcount and new product innovations. General and administrative expenses may also periodically increase as a percentage of revenues as we continue to scale our operations to support our growth.

Real Estate Investment Trust ("REIT") Conversion

In September 2012, we announced that our Board of Directors approved a plan for Equinix to pursue conversion to a REIT. On December 23, 2014, our Board of Directors formally approved our conversion to a REIT effective on January 1, 2015. We completed the implementation of the REIT conversion in 2014, and as a result we began operating as a REIT for federal income tax purposes effective January 1, 2015. In May 2015, we received a favorable response to the private letter ruling ("PLR") we had requested from the U.S. Internal Revenue Service ("IRS") in connection with our conversion to a REIT for federal income tax purposes. The REIT conversion includes almost all of our data center operations in the U.S., Europe and Japan; our data center operations in other jurisdictions have initially been designated as taxable REIT subsidiaries ("TRSs").

As a REIT, we generally are permitted to deduct from federal taxable income the dividends we pay to our stockholders (including, for this purpose, the value of any deemed distribution on account of adjustments to the conversion rate relating to our outstanding debt securities that are convertible into our common stock, provided the deemed distribution is not a preferential dividend). The income represented by such dividends is not subject to federal taxation at the entity level but is taxed, if at all, at the stockholder level. Nevertheless, the income of our TRSs which hold our U.S. operations that may not be REIT-compliant, are subject, as applicable, to federal and state corporate income tax. Likewise, our foreign subsidiaries continue to be subject to foreign income taxes in jurisdictions in which they hold assets or conduct operations, regardless of whether held or conducted through TRSs or through qualified REIT subsidiaries (“QRSs”). We are also subject to a separate corporate income tax on any gains recognized during a specified period (generally 10 years) following the REIT conversion that are attributable to “built-in” gains with respect to the assets that we owned on January 1, 2015. Our ability to qualify for taxation as a REIT will depend upon our compliance with various requirements, including requirements related to the nature of our assets, the sources of our income and the distributions to our stockholders. If we fail to qualify for taxation as a REIT, we will be subject to federal income tax at regular corporate rates. Even if we qualify for taxation as a REIT, we may be subject to some federal, state, local and foreign taxes on our income and property in addition to taxes owed with respect to our TRSs operations. In particular, while state income tax regimes often parallel the federal income tax regime for REITs, many states do not completely follow federal rules and some may not follow them at all.

We expect to incur a total of approximately $360.0 to $370.0 million in tax liabilities associated with a change in our methods of depreciating and amortizing various data center assets for tax purposes from our prior methods to methods that are more consistent with the characterization of such assets as real property for REIT purposes. These liabilities have been and continue to be generally payable over a four-year period starting in 2012. As of September 30, 2015, we have settled $346.3 million of the estimated federal and state tax liability related to this recapture of depreciation and amortization expenses. The remaining tax liability is expected to be settled by the end of 2015.

As a REIT, we also expect to incur approximately $10.0 million annually in compliance costs beginning in 2015.

On October 16, 2014, we announced the declaration by our Board of Directors of a special distribution (the “2014 Special Distribution”) of $416.0 million on our shares of common stock, payable in either common stock or cash to, and at the election of, our stockholders of record as of October 27, 2014. Common stockholders elected to receive payment of the 2014 Special Distribution in the form of stock or cash, with the total cash payment to all stockholders limited to a maximum of $83.2 million. The amount of the 2014 Special Distribution, plus the value of the deemed distribution on account of the adjustment to the conversion rate relating to our outstanding 4.75% convertible subordinated notes that was made as a result of the 2014 Special Distribution (the “2014 Conversion Rate Adjustment”), exceeded our previously undistributed accumulated earnings and profits attributable to all taxable periods ending prior to January 1, 2015.

On September 28, 2015, we announced the declaration by our Board of Directors of a special distribution (the “2015 Special Distribution”) of $627.0 million on our shares of common stock, payable in either common stock or cash to, and at the election of, our stockholders of record as of October 8, 2015. Common stockholders have the right to elect, prior to November 2, 2015, to receive payment of the 2015 Special Distribution in the form of stock or cash, with the total cash payment to all stockholders limited to a maximum of $125.4 million. The 2015 Special Distribution includes the sum of: (1) estimated foreign earnings and profits repatriated as dividend income to be recognized in 2015; (2) taxable income in 2015 from depreciation recapture in respect of accounting method changes commenced in our pre-REIT period; and (3) certain other items of taxable income.

In connection with our conversion to a REIT effective January 1, 2015, we also paid quarterly cash dividends of $1.69 per share on each of March 25, 2015, June 17, 2015, and September 16, 2015. On October 28, 2015, we declared a quarterly cash dividend of $1.69 per share, which will be paid on December 16, 2015 to shareholders of record on December 9, 2015. We expect that the amount of the

2015 Special Distribution, plus the amount of all of our other distributions during 2015 and the expected value of the deemed distributions on account of the adjustments to the conversion rate relating to our outstanding 4.75% convertible subordinated notes that are or will be made as a result of our 2015 distributions, will equal or exceed the taxable income that we expect to recognize in 2015.

We continue to monitor our REIT compliance to maintain our qualification for taxation as a REIT. For this, and other reasons, as necessary, we may convert certain of our data center operations in Canada and additional countries in Asia-Pacific into the REIT in future periods.

Results of Operations

Three Months Ended September 30, 2015 and 2014

Revenues. Our revenues for the three months ended September 30, 2015 and 2014 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Three months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas:						
Recurring revenues	$360,687	53%	$330,683	53%	9%	13%
Non-recurring revenues	21,943	3%	16,729	3%	31%	32%
	382,630	56%	347,412	56%	10%	14%
EMEA:						
Recurring revenues	166,156	24%	152,803	25%	9%	23%
Non-recurring revenues	11,407	2%	8,777	1%	30%	49%
	177,563	26%	161,580	26%	10%	24%
Asia-Pacific:						
Recurring revenues	119,878	17%	104,951	17%	14%	28%
Non-recurring revenues	6,578	1%	6,498	1%	1%	13%
	126,456	18%	111,449	18%	13%	27%
Total:						
Recurring revenues	646,721	94%	588,437	95%	10%	18%
Non-recurring revenues	39,928	6%	32,004	5%	25%	33%
	$686,649	100%	$620,441	100%	11%	19%

Americas Revenues. Our revenues from the U.S., the largest revenue contributor in the Americas region for the period, represented approximately 93% and 91%, respectively, of the regional revenues during the three months ended September 30, 2015 and 2014. Growth in Americas revenues was primarily due to (i) approximately $8.7 million of revenue generated from our recently-opened IBX data centers or IBX data center expansions in the Atlanta, Miami, New York, Rio de Janeiro, Silicon Valley, Toronto, and Washington, D.C. metro areas and (ii) an increase in orders from both our existing customers and new customers during the period. During the three months ended September 30, 2015, the U.S. dollar was generally stronger relative to the Canadian dollar and Brazilian real than during the three months ended September 30, 2014, resulting in approximately $12.2 million of unfavorable foreign currency impact to our Americas revenues during the three months ended September 30, 2015 compared to average exchange rates of the three months ended September 30, 2014. We expect that our Americas revenues will continue to grow in future periods as a result of continued growth in the recently-opened IBX data centers or IBX data center expansions and additional expansions currently taking place in the Atlanta, Dallas, São Paulo and Washington D.C. metro areas, which are expected to open during the remainder of 2015 and 2016. 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 38% and 36%, respectively, of the regional revenues during the three months ended September 30, 2015 and 2014. Our EMEA revenue growth was primarily due to (i) approximately $7.4 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. During the three months ended September 30, 2015, the impact of foreign currency fluctuations resulted in approximately $23.6 million of unfavorable foreign currency impact to our EMEA revenues primarily due to a generally stronger U.S. dollar relative to the British pound and Euro during the three months ended September 30, 2015 compared to the three months ended September 30, 2014. 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 Amsterdam, Frankfurt, and London metro areas, which are expected to open in 2016. 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 39% and 38%, respectively, of the regional revenues for the three months ended September 30, 2015 and 2014. Our Asia-Pacific revenue growth was primarily due to (i) approximately $13.0 million of revenue generated from our recently-opened IBX data center expansions in the Hong Kong, Melbourne, Osaka, Singapore, Shanghai and Tokyo metro areas and (ii) an increase in orders from both our existing customers and new customers during the period. During the three months ended September 30, 2015, the U.S. dollar was generally stronger relative to the Australian dollar, Japanese yen and Singaporean dollar, than during the three months ended September 30, 2014, resulting in approximately $15.0 million of unfavorable foreign currency impact to our Asia-Pacific revenues during the three months ended September 30, 2015 when compared to average exchange rates during the three months ended September 30, 2014. 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 data centers and additional expansions currently taking place in the Melbourne, Shanghai, Singapore, Sydney and Tokyo metro areas, which are expected to open in 2016. 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 as well as the impact of our acquisition of Bit-isle.

Cost of Revenues. Our cost of revenues for the three months ended September 30, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Three months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	$161,998	50%	$154,977	51%	5%	11%
EMEA	92,893	28%	83,704	28%	11%	27%
Asia-Pacific	70,577	22%	65,371	21%	8%	20%
Total	$325,468	100%	$304,052	100%	7%	17%

	Three months ended September 30,	
	2015	2014
Cost of revenues as a percentage of revenues:		
Americas	42%	45%
EMEA	52%	53%
Asia-Pacific	56%	62%
Total	47%	50%

Americas Cost of Revenues. The increase in our Americas cost of revenues for the three months ended September 30, 2015 compared to the three months ended September 30, 2014 was primarily due to $5.3 million of higher utilities, repairs and maintenance costs in support of our business growth. In addition, the increase in our Americas cost of revenues is due to $1.9 million of higher real property and personal property tax expenses, mainly due to our new IBX data center in the Toronto metro area. During the three months ended September 30, 2015, the impact of foreign currency fluctuations to our Americas cost of revenues resulted in approximately $9.8 million of favorable foreign currency impact to our Americas cost of revenues primarily due to a generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the three months ended September 30, 2015 compared to the three months ended September 30, 2014. We expect Americas cost of revenues to increase as we continue to grow our business.

EMEA Cost of Revenues. Our EMEA cost of revenues for the three months ended September 30, 2015 and 2014 included $27.4 million and $23.5 million, respectively, of depreciation expense. The growth in depreciation expense was primarily due to our IBX data center expansion activity. Excluding depreciation expense, the increase in our EMEA cost of revenues was primarily due to $4.9 million of higher costs associated with equipment resale and certain custom services provided to our customers as well as an increase in net losses relating to the cash flow derivatives. During the three months ended September 30, 2015, the impact of foreign currency fluctuations to our EMEA cost of revenues resulted in approximately $13.1 million of net favorable foreign currency impact to our EMEA cost of revenues primarily due to a generally stronger U.S. dollar relative to the British pound and Euro during the three months ended September 30, 2015 compared to the three months ended September 30, 2014. We expect EMEA cost of revenues to increase as we continue to grow our business.

Asia-Pacific Cost of Revenues. Our Asia-Pacific cost of revenues for the three months ended September 30, 2015 and 2014 included $28.6 million and $25.1 million, respectively, of depreciation expense. The growth in depreciation expense was primarily due to our IBX data center expansion activity. Excluding depreciation expense, the increase in our Asia-Pacific cost of revenues was due to $2.2 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (374 employees included in Asia-Pacific cost of revenues as of September 30, 2015 versus 331 as of September 30, 2014) and higher costs associated with rent, facilities and real property taxes in support of our business growth. During the three months ended September 30, 2015, the impact of foreign currency fluctuations to our Asia-Pacific cost of revenues resulted in approximately $7.7 million of net favorable foreign currency impact to our Asia-Pacific cost of revenues primarily due to a generally stronger U.S. dollar relative to the Australian dollar, Japanese yen, and Singapore dollar, during the three months ended September 30, 2015 compared to the three months ended September 30, 2014. We expect Asia-Pacific cost of revenues to increase as we continue to grow our business, including from the impact of our acquisition of Bit-isle.

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Sales and Marketing Expenses. Our sales and marketing expenses for the three months ended September 30, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Three months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	$53,575	64%	$41,238	57%	30%	34%
EMEA	17,923	21%	19,874	28%	-10%	0%
Asia-Pacific	12,211	15%	11,073	15%	10%	21%
Total	$83,709	100%	$72,185	100%	16%	23%

	Three months ended September 30,	
	2015	2014
Sales and marketing expenses as a percentage of revenues:		
Americas	14%	12%
EMEA	10%	12%
Asia-Pacific	10%	10%
Total	12%	12%

Americas Sales and Marketing Expenses. The increase in our Americas sales and marketing expenses was primarily due to $8.2 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation and headcount growth (480 Americas sales and marketing employees as of September 30, 2014 versus 440 as of September 30, 2014) and $3.6 million of higher advertising, promotion, travel and professional service fees to support our growth. During the three months ended September 30, 2015, the impact of foreign currency fluctuations to our Americas sales and marketing expenses was not significant when compared to average exchange rates of the three months ended September 30, 2014. 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. Our EMEA sales and marketing expenses did not materially change during the three months ended September 30, 2015 compared to the three months ended September 30, 2014. During the three months ended September 30, 2015, the U.S. dollar was generally stronger relative to the British pound and Euro than during the three months ended September 30, 2014, resulting in approximately $2.0 million of net favorable foreign currency impact to our EMEA sales and marketing expenses during the three months ended September 30, 2015 when compared to the three months ended September 30, 2014. Over the past several years, we have been investing in our EMEA sales and marketing initiatives to further increase our revenue. 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. Our Asia-Pacific sales and marketing expenses did not materially change during the three months ended September 30, 2015 compared to the three months ended September 30, 2014. For the three months ended September 30, 2015, 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 September 30, 2014. 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, which will also increase as a result of the Bit-isle acquisition, we believe our Asia-Pacific sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year or two 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 September 30, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Three months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	$ 88,815	72%	$ 78,864	72%	13%	14%
EMEA	22,737	18%	19,154	18%	19%	28%
Asia-Pacific	11,685	10%	11,336	10%	3%	13%
Total	$123,237	100%	$109,354	100%	13%	16%

	Three months ended September 30,	
	2015	2014
General and administrative expenses as a percentage of revenues:		
Americas	23%	23%
EMEA	13%	12%
Asia-Pacific	9%	11%
Total	18%	18%

Americas General and Administrative Expenses. The increase in our Americas general and administrative expenses was primarily due to (i) $9.3 million of higher travel and office expenses, and compensation costs, including general salaries, bonuses, stock-based compensation, and headcount growth (787 Americas general and administrative employees as of September 30, 2015 versus 729 as of September 30, 2014) and (ii) $4.8 million of higher depreciation expense associated with the implementation of our Oracle R12 ERP system, certain systems to improve our quote to order and billing processes and other systems to support the REIT conversion, partially offset by a $3.9 million reduction in professional fees from our REIT conversion incurred during the three months ended September 30, 2014. During the three months ended September 30, 2015, the impact of foreign currency fluctuations to our Americas general and administrative expenses was not significant when compared to average exchange rates for the three months ended September 30, 2014. 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, we expect Americas general and administrative expenses to increase as we continue to further scale our operations to support our growth.

EMEA General and Administrative Expenses. The increase in our EMEA general and administrative expenses was primarily due to $2.7 million of higher depreciation and higher compensation costs, including general salaries, bonus, stock-based compensation and headcount growth (405 EMEA general and administrative employees as of September 30, 2015 versus 339 as of September 30, 2014). For the three months ended September 30, 2015, the impact of foreign currency fluctuations to EMEA general and administrative expenses was not significant when compared to the average exchange rates for the three months ended September 30, 2014. 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. Our Asia-Pacific general and administrative expenses did not materially change and the impact of foreign currency fluctuations to our Asia-Pacific general and administrative expenses for the three months ended September 30, 2015 was not significant when compared to average exchange rates of the three months ended September 30, 2014. 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 and also increase as a result of the Bit-isle acquisition; however, as a percentage of revenues, we generally expect them to decrease.

Acquisition Costs. During the three months ended September 30, 2015, we recorded acquisition costs totaling $13.4 million primarily in the EMEA region, which included $8.6 million as a result of a court ruling in connection with a historical acquisition. During the three months ended September 30, 2014, we reversed acquisition costs totaling $281,000 primarily in the Americas region. We expect our acquisition costs to increase through the closings of the Bit-isle and TelecityGroup acquisitions.

Interest Income. Interest income was $934,000 and $356,000, respectively, for the three months ended September 30, 2015 and 2014. The average annualized yield for the three months ended September 30, 2015 was 0.59% versus 0.24% for the three months ended September 30, 2014. We expect our interest income to remain at these low levels for the foreseeable future due to lower invested balances and a portfolio more weighted towards short-term U.S. government securities.

Interest Expense. Interest expense increased to $76.3 million for the three months ended September 30, 2015 from $63.8 million for the three months ended September 30, 2014. This increase in interest expense was primarily due to the impact of bridge financing in connection with TelecityGroup acquisition and additional financings such as various capital lease and other financing obligations to support our expansion projects. During the three months ended September 30, 2015 and 2014, we capitalized $1.8 million and $5.6 million, respectively, of interest expense to construction in progress. Going forward, we expect to incur higher interest expense as we recognize the full impact of our $1.25 billion senior notes offering in November 2014 and $1.5 billion senior credit facility offerings in December 2014, partially offset by the redemption of our 7.00% senior notes and settlement of our 3.00% convertible notes in 2014. We expect to incur additional indebtedness to support our growth and acquisition opportunities such as the Bit-isle and TelecityGroup acquisitions, resulting in higher interest expense. We expect to obtain permanent financing prior to the closing of the TelecityGroup acquisition to replace and terminate the Bridge Loan.

Other Income (Expense). We recorded net expense of $12.8 million and net income of $1.8 million respectively, of other income (expense), for the three months ended September 30, 2015 and 2014, primarily due to foreign currency exchange gains and losses during the periods, including an $11.6 million mark-to-market foreign currency loss for the three months ended September 30, 2015 as a result of specific foreign hedge activities put in place with regards to hedging the TelecityGroup acquisition purchase price.

Income Taxes. Effective January 1, 2015, we elected to be treated as a REIT for federal income tax purposes. As a REIT, we are generally not subject to federal income taxes on the taxable income distributed to our stockholders. We intend to distribute the entire taxable income generated by the operations of our REIT and its QRSs for the tax year ending December 31, 2015. As such, no provision for U.S. income taxes for the REIT and its QRSs has been included in the accompanying condensed consolidated financial statements for the three months ended September 30, 2015.

We have made TRS elections for some of our subsidiaries in and outside the U.S. In general, a TRS may provide services that would otherwise be considered impermissible for REITs to provide and may hold assets that REITs cannot hold directly. U.S. income taxes for the TRS entities located in the U.S. and foreign income taxes for our foreign operations were accrued, as necessary, for the three months ended September 30, 2015.

For the three months ended September 30, 2015 and 2014, we recorded $11.6 million and $30.6 million of income tax expense, respectively. Our effective tax rates were 22.0% and 41.6%, respectively, for the three months ended September 30, 2015 and 2014. We expect to recognize a lower income tax provision for the year ended December 31, 2015 as compared to the income tax provision in 2014 due to our REIT conversion because we are entitled to a deduction for dividends paid, which will result in a substantial reduction of U.S. income tax expense. As a REIT, substantially all of our income tax expense will be the foreign income tax incurred by our foreign subsidiaries and the U.S. income tax incurred by our U.S. TRSs.

Adjusted EBITDA. Adjusted EBITDA is a key factor in how we assess the performance of our segments, measure the operational cash generating abilities of our segments and develop regional growth strategies such as IBX data center expansion decisions. We define adjusted EBITDA as income or loss from operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges and acquisition costs. Our adjusted EBITDA for the three months ended September 30, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Three months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	$174,170	54%	$160,075	56%	9%	11%
EMEA	81,403	25%	69,786	25%	17%	33%
Asia-Pacific	65,899	21%	54,000	19%	22%	38%
Total	$321,472	100%	$283,861	100%	13%	22%

Americas Adjusted EBITDA. The increase in our Americas adjusted EBITDA was due to higher revenues as result of our IBX data center expansion activity and organic growth as described above. During the three months ended September 30, 2015, currency fluctuations resulted in approximately $3.8 million of unfavorable foreign currency impact on our Americas adjusted EBITDA primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the three months ended September 30, 2015 compared to the three months ended September 30, 2014.

EMEA Adjusted EBITDA. The increase in our EMEA adjusted EBITDA was primarily due to higher revenues as result of our IBX data center expansion activity and organic growth as described above. During the three months ended September 30, 2015, currency fluctuations resulted in approximately $11.5 million of net unfavorable foreign currency impact to our EMEA adjusted EBITDA primarily due to generally stronger U.S. dollar relative to the British pound and Euro, during the three months ended September 30, 2015 compared to the three months ended September 30, 2014.

Asia-Pacific Adjusted EBITDA. The increase in our Asia-Pacific adjusted EBITDA was primarily due to higher revenues as result of our IBX data center expansion activity and organic growth as described above. During the three months ended September 30, 2015, currency fluctuations resulted in approximately $8.6 million of net unfavorable foreign currency impact to our Asia-Pacific adjusted EBITDA primarily due to generally stronger U.S. dollar relative to the Australian dollar, Japanese yen, and Singapore dollar during the three months ended September 30, 2015 compared to the three months ended September 30, 2014.

Nine Months Ended September 30, 2015 and 2014

Revenues. Our revenues for the nine months ended September 30, 2015 and 2014 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Nine months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas:						
Recurring revenues	$1,061,346	53%	$ 970,815	54%	9%	12%
Non-recurring revenues	56,700	3%	48,886	3%	16%	17%
	1,118,046	56%	1,019,701	57%	10%	12%
EMEA:						
Recurring revenues	479,643	24%	443,553	25%	8%	24%
Non-recurring revenues	36,510	2%	26,619	1%	37%	59%
	516,153	26%	470,172	26%	10%	26%
Asia-Pacific:						
Recurring revenues	342,080	17%	297,930	16%	15%	26%
Non-recurring revenues	19,126	1%	17,852	1%	7%	17%
	361,206	18%	315,782	17%	14%	25%
Total:						
Recurring revenues	1,883,069	94%	1,712,298	95%	10%	18%
Non-recurring revenues	112,336	6%	93,357	5%	20%	29%
	$1,995,405	100%	$1,805,655	100%	11%	18%

Americas Revenues. Our revenues from the U.S., the largest revenue contributor in the Americas region for the period, represented approximately 93% and 91%, respectively, of the regional revenues during the nine months ended September 30, 2015 and 2014. Growth in Americas revenues was primarily due to (i) approximately $27.9 million of revenue generated from our recently-opened IBX data centers or IBX data center expansions in the Atlanta, Miami, New York, Rio De Janeiro, Silicon Valley, Toronto and Washington, D.C. metro areas, (ii) an increase in orders from both our existing customers and new customers during the period. During the nine months ended September 30, 2015, the U.S. dollar was generally stronger relative to the Canadian dollar and Brazilian real than during the nine months ended September 30, 2014, resulting in approximately $26.3 million of unfavorable foreign currency impact to our Americas revenues during the nine months ended September 30, 2015 when compared to average exchange rates of the nine months ended September 30, 2014. We expect that our Americas revenues will continue to grow in future periods as a result of continued growth in the recently-opened IBX data centers or IBX data center expansions and additional expansions currently taking place in the Atlanta, Dallas, São Paulo, and Washington, D.C. metro areas, which are expected to open during the remainder of 2015 and 2016. 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 38% and 36%, respectively, of the regional revenues during the nine months ended September 30, 2015 and 2014. Our EMEA revenue growth was primarily due to (i) approximately $18.5 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. During the nine months ended September 30, 2015, the impact of foreign currency fluctuations resulted in approximately $76.2 million of unfavorable foreign currency impact to our EMEA revenues primarily due to a generally stronger U.S. dollar relative to the British pound and Euro, during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. 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 Amsterdam, Frankfurt, and London metro areas, which are expected to open in 2016. 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 39% and 38%, respectively, of the regional revenues for the nine months ended September 30, 2015 and 2014. Our Asia-Pacific revenue growth was primarily due to (i) approximately $38.4 million of revenue generated from our recently-opened IBX data center expansions in the Hong Kong, Melbourne, Osaka, Singapore, Shanghai, and Tokyo metro areas and (ii) an increase in orders from both our existing customers and new customers during the period. During the nine months ended September 30, 2015, the U.S. dollar was generally stronger relative to the Australian dollar, Japanese yen and Singapore dollar, than during the nine months ended September 30, 2014, resulting in approximately $35.0 million of unfavorable foreign currency impact to our Asia-Pacific revenues during the nine months ended September 30, 2015 when compared to average exchange rates of the nine months ended September 30, 2014. 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 data center expansions and additional expansions currently taking place in the Melbourne, Shanghai, Singapore, Sydney, and Tokyo metro areas, which are expected to open in 2016. 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 as well as the impact of our acquisition of Bit-isle.

Cost of Revenues. Our cost of revenues for the nine months ended September 30, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Nine months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	$470,257	50%	$445,682	50%	6%	10%
EMEA	260,908	28%	251,689	29%	4%	20%
Asia-Pacific	208,373	22%	187,065	21%	11%	22%
Total	$939,538	100%	$884,436	100%	6%	15%

	Nine months ended September 30,	
	2015	2014
Cost of revenues as a percentage of revenues:		
Americas	42%	44%
EMEA	51%	54%
Asia-Pacific	58%	59%
Total	47%	49%

Americas Cost of Revenues. Our Americas cost of revenues for the nine months ended September 30, 2015 and 2014 included $161.7 million and $158.4 million, respectively, of depreciation expense. The increase in depreciation expense was primarily due to our IBX data center expansion activity, partially offset by the decrease in our depreciation expense as a result of the increase in the useful lives of certain fixed assets when we entered into lease amendments to extend the lease term for certain IBX data centers. Excluding depreciation expense, the increase in our Americas cost of revenues was primarily due to $12.7 million of higher utilities, repairs and maintenance in support of our revenue growth and $5.6 million of higher compensation costs, including general salaries, bonus, stock-based compensation and headcount growth (1,019 employees included in America cost of revenues as of September 30, 2015 versus 942 as of September 30, 2014). During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our Americas cost of revenues resulted in approximately $20.4 million of favorable foreign currency impact to our Americas cost of revenues primarily due to a generally stronger U.S. dollar relative to the Canadian dollar and Brazilian real during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. We expect Americas cost of revenues to increase as we continue to grow our business.

EMEA Cost of Revenues. The increase in our EMEA cost of revenues was primarily due to $12.8 million of higher costs associated with equipment resales, certain custom services provided to our customers and an increase in net losses relating to cash flow hedging derivatives as well as $2.0 million of higher compensation costs, including general salaries, bonus, stock-based compensation and headcount growth (523 employees included in EMEA cost of revenue as of September 30, 2015 versus 446 as of September 30, 2014) to support our growth. These increases were partially offset by $5.2 million of lower rent, facilities and utilities expenses, primarily due to foreign currency fluctuations. During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our EMEA cost of revenues resulted in approximately $41.5 million of net favorable foreign currency impact to our EMEA cost of revenues primarily due to a generally stronger U.S. dollar relative to the British pound and Euro, during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. We expect EMEA cost of revenues to increase as we continue to grow our business.

Asia-Pacific Cost of Revenues. Our Asia-Pacific cost of revenues for the nine months ended September 30, 2015 and 2014 included $85.0 million and $72.5 million, respectively, of depreciation expense. Growth in depreciation expense was primarily due to our IBX data center expansion activity. Excluding depreciation expense, the increase in Asia-Pacific cost of revenues was primarily due to $4.2 million of higher utilities, rent and facilities costs in support of our revenue growth as well as $2.1 million of higher compensation costs, including general salaries, bonus, stock-based compensation and headcount growth (374 employees included in Asia-Pacific cost of revenue as of September 30, 2015 versus 331 as of September 30, 2014). During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our Asia-Pacific cost of revenues resulted in approximately $18.9 million of net favorable foreign currency impact to our Asia-Pacific cost of revenues primarily due to a generally stronger U.S. dollar relative to Australian dollar, Japanese yen and Singapore dollar during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. We expect Asia-Pacific cost of revenues to increase as we continue to grow our business, including from the impact of our acquisition of Bit-isle.

Sales and Marketing Expenses. Our sales and marketing expenses for the nine months ended September 30, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Nine months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	$153,035	63%	$125,095	59%	22%	25%
EMEA	53,003	22%	58,872	27%	-10%	1%
Asia-Pacific	37,535	15%	30,900	14%	21%	31%
Total	$243,573	100%	$214,867	100%	13%	19%

	Nine months ended September 30,	
	2015	2014
Sales and marketing expenses as a percentage of revenues:		
Americas	14%	12%
EMEA	10%	13%
Asia-Pacific	10%	10%
Total	12%	12%

Americas Sales and Marketing Expenses. The increase in our Americas sales and marketing expenses was primarily due to $22.1 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation and headcount growth (480 Americas sales and marketing employees as of September 30, 2015 versus 440 as of September 30, 2014) and $5.5 million of higher travel, advertising, promotion and professional fees to support our growth. During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our Americas sales and marketing expenses resulted in approximately $3.5 million of favorable foreign currency impact to our Americas general and administrative expenses primarily due to a generally stronger U.S. dollar relative to the Canadian dollar and Brazilian real during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. 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 decrease in our EMEA sales and marketing expenses was primarily due to $4.3 million of lower professional fees primarily due to the termination of certain contracts during 2014. During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our EMEA sales and marketing expenses resulted in approximately $6.7 million of net favorable foreign currency impact to our EMEA sales and marketing expenses primarily due to a generally stronger U.S. dollar relative to the British pound and Euro, during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. We believe our EMEA sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year or two 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 $4.4 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation expense and headcount growth (173 Asia-Pacific sales and marketing employees as of September 30, 2015 versus 146 as of September 30, 2014). During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our Asia-Pacific sales and marketing expenses resulted in approximately $2.9 million of net favorable foreign currency impact to our Asia-Pacific sales and marketing expenses primarily due to a generally stronger U.S. dollar relative to Australian dollar, Japanese yen and Singapore dollar during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. 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 or two but should ultimately decrease as we continue to grow our business.

General and Administrative Expenses. Our general and administrative expenses for the nine months ended September 30, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Nine months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	$257,769	72%	$236,287	73%	9%	10%
EMEA	65,191	18%	56,712	17%	15%	26%
Asia-Pacific	33,495	10%	31,333	10%	7%	15%
Total	$356,455	100%	$324,332	100%	10%	13%

	Nine months ended September 30,	
	2015	2014
General and administrative expenses as a percentage of revenues:		
Americas	23%	23%
EMEA	13%	12%
Asia-Pacific	9%	10%
Total	18%	18%

Americas General and Administrative Expenses. The increase in our Americas general and administrative expenses was primarily due to (i) $13.7 million of higher depreciation expense associated with the implementation of Oracle R12 ERP system, certain systems to improve our quote to order and billing processes and other systems to support the REIT conversion, (ii) $11.7 million of higher compensation costs, including general salaries, bonuses, stock-based compensation, and headcount growth (787 Americas general and administrative employees as of September 30, 2015 versus 729 as of September 30, 2014) and (iii) $8.2 million of higher rent, facilities, travel and office expenses to support our business growth, partially offset by a $12.3 million decrease in professional fees from our REIT conversion process incurred during the nine months ended September 30, 2014. During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our Americas general and administrative expenses resulted in approximately $2.1 million of favorable foreign currency impact to our Americas general and administrative expenses primarily due to a generally stronger U.S. dollar relative to the Canadian dollar and Brazilian real during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. 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, we expect Americas general and administrative expenses to increase as we continue to further scale our operations to support our growth.

EMEA General and Administrative Expenses. The increase in our EMEA general and administrative expenses was primarily due to (i) $3.0 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (405 EMEA general and administrative employees as of September 30, 2015 versus 339 as of September 30, 2014), (ii) $4.3 million of higher depreciation expense and increase in net realized losses relating to cash flow hedging derivatives. During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our EMEA general and administrative expenses resulted in approximately $6.2 million of net favorable foreign currency impact to our EMEA general and administrative expenses primarily due to a generally stronger U.S. dollar relative to the British pound and Euro, during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. 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 increased outside service and consulting costs and higher compensation costs. During the nine months ended September 30, 2015, the impact of foreign currency fluctuations to our Asia-Pacific general and administrative expenses resulted in approximately $2.5 million of net favorable foreign currency impact to our Asia-Pacific general and administrative expenses primarily due to a generally stronger U.S. dollar relative to Australian dollar, Japanese yen and Singapore dollar during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. 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.

Acquisition Costs. During the nine months ended September 30, 2015, we recorded acquisition costs of $24.4 million primarily in the EMEA region, which included $8.6 million as a result of a court ruling in connection with a historical acquisition. During the nine months ended September 30, 2014, we recorded acquisition costs of $580,000 primarily attributed to the Americas region. We expect our acquisition costs to increase through the closings of the Bit-isle and TelecityGroup acquisitions.

Interest Income. Interest income was $2.4 million and $2.5 million, respectively, for the nine months ended September 30, 2015 and 2014. The average annualized yield for the nine months ended September 30, 2015 was 0.38% versus 0.36% for the nine months ended September 30, 2014. We expect our interest income to remain at these low levels for the foreseeable future due to lower invested balances and a portfolio more weighted towards short-term U.S. government securities.

Interest Expense. Interest expense increased to $219.6 million for the nine months ended September 30, 2015 from $199.5 million for the nine months ended September 30, 2014. This increase in interest expense was primarily due to the impact of additional financings such as various capital lease and other financing obligations to support our expansion projects. Going forward, we expect to incur higher interest expense as we recognize the full impact of our $1.25 billion senior notes offering in November 2014 and $1.5 billion senior credit facility offerings in December 2014, partially offset by the redemption of our 7.00% senior notes and settlement of our 3.00% convertible notes in 2014. We expect to incur additional indebtedness to support our growth and acquisition opportunities such as the Bit-isle and TelecityGroup acquisitions, resulting in higher interest expense. We expect to obtain permanent financing prior to closing the TelecityGroup acquisition to replace and terminate the Bridge Loan.

Other Income (Expense). We recorded a net expense of $12.0 million and $3.2 million of other income, respectively, for the nine months ended September 30, 2015 and 2014, primarily due to foreign currency exchange gains and losses during the periods, including an $11.6 million mark-to-market foreign currency loss for the nine months ended September 30, 2015 as a result of specific foreign hedge activities put in place with regards to hedging the TelecityGroup acquisition purchase price.

Loss on Debt Extinguishment. During the nine months ended September 30, 2014, we recorded a $51.2 million loss on debt extinguishment as a result of the exchanges of the 3.00% convertible subordinated notes and 4.75% convertible subordinated notes. We did not record any loss on debt extinguishment during the nine months ended September 30, 2015.

Income Taxes. Effective January 1, 2015, we elected to be treated as a REIT for federal income tax purposes. As a REIT, we are generally not subject to U.S. income taxes on taxable income distributed to our stockholders. We intend to distribute the entire taxable income generated by the operations of our REIT and its QRSs for the tax year ending December 31, 2015. As such, no provision for U.S. income taxes for the REIT and its QRSs has been included in the accompanying condensed consolidated financial statements for the nine months ended September 30, 2015.

We have made TRS elections for some of our subsidiaries in and outside the U.S. In general, a TRS may provide services that would otherwise be considered impermissible for REITs to provide and may hold assets that REITs cannot hold directly. U.S. income taxes for the TRS entities located in the U.S. and foreign income taxes for our foreign operations were accrued, as necessary, for the nine months ended September 30, 2015.

For the nine months ended September 30, 2015 and 2014, we recorded $25.3 million and $42.1 million of income tax expenses, respectively. Our effective tax rates were 12.5% and 30.9% for the nine months ended September 30, 2015 and 2014, respectively. We expect to recognize a significantly lower income tax provision in 2015 as compared to the income tax provision in 2014 due to our REIT conversion because we are entitled to a deduction for dividends paid, which will result in a substantial reduction of U.S. income tax expense. As a REIT, substantially all of our income tax expense will be the foreign income tax incurred by our foreign subsidiaries and the U.S. income tax incurred by our U.S. TRSs.

Adjusted EBITDA. Adjusted EBITDA is a key factor in how we assess the performance of our segments, measure the operational cash generating abilities of our segments and develop regional growth strategies such as IBX data center expansion decisions. Our adjusted EBITDA for the nine months ended September 30, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Nine months ended September 30,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	$517,790	55%	$467,763	57%	11%	13%
EMEA	236,967	25%	198,342	24%	19%	38%
Asia-Pacific	183,725	20%	153,421	19%	20%	32%
Total	$938,482	100%	$819,526	100%	15%	22%

Americas Adjusted EBITDA. The increase in our Americas adjusted EBITDA was due to higher revenues as result of our IBX data center expansion activity and organic growth as described above. During the nine months ended September 30, 2015, currency fluctuations resulted in approximately $8.6 million of unfavorable foreign currency impact on our Americas adjusted EBITDA primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014.

EMEA Adjusted EBITDA. The increase in our EMEA adjusted EBITDA was primarily due to higher revenues as result of our IBX data center expansion activity and organic growth as described above. During the nine months ended September 30, 2015, currency fluctuations resulted in approximately $36.7 million of net unfavorable foreign currency impact to our EMEA adjusted EBITDA primarily due to generally stronger U.S. dollar relative to the British pound and Euro during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014.

Asia-Pacific Adjusted EBITDA. The increase in our Asia-Pacific adjusted EBITDA was due to higher revenues as result of our IBX data center expansion activity and organic growth as described above. The U.S. dollar was generally stronger relative to the Australian dollar, Japanese yen and Singapore dollar compared to the nine months ended September 30, 2014, resulting in approximately $19.5 million of net unfavorable foreign currency impact to our Asia-Pacific adjusted EBITDA during the nine months ended September 30, 2015 when compared to average exchange rates of the nine months ended September 30, 2014.

Non-GAAP Financial Measures

We provide all information required in accordance with generally accepted accounting principles in the United States of America ("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 to evaluate our operations. 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.

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 those 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.

Our primary non-GAAP financial measures, adjusted funds from operations ("AFFO") and adjusted EBITDA, 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 AFFO and adjusted EBITDA, 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 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. 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. We also exclude impairment charges related to certain long-lived assets. The impairment charges are related to expense recognized whenever events or changes in circumstances indicate that the carrying amount of long-lived assets are not recoverable. Finally, we exclude acquisition costs from our AFFO and adjusted EBITDA. The acquisition costs relate to costs we incur in connection with business combinations. Management believes such items as restructuring charges, impairment charges and acquisition costs are non-core transactions; however, these types of costs will or may occur in future periods.

Adjusted EBITDA

We use adjusted EBITDA to evaluate our performance both on a consolidated basis, as well as the operating performance of each of our segments (Americas, EMEA and Asia-Pacific) and as a metric in the determination of vesting of restricted stock units that were granted before 2015 that have both service and performance conditions. 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, impairment charges and acquisition costs. We exclude these items for the same reasons that they are excluded from the non-GAAP financial measures mentioned above.

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Income from operations	$140,883	$135,131	$431,465	$381,440
Depreciation, amortization, and accretion expense	133,268	121,349	384,068	351,033
Stock-based compensation expense	33,969	27,662	98,575	86,473
Acquisition costs	13,352	(281)	24,374	580
Adjusted EBITDA	$321,472	$283,861	$938,482	$819,526

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 due to the nature of our business model which consists of a recurring revenue stream and a cost structure which has a large base that is fixed in nature as discussed earlier in “Overview”. Although we have also been investing in our future growth as described above (e.g. through 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.

Funds from Operations (“FFO”) and AFFO

We use FFO and AFFO, which are non-GAAP financial measures commonly used in the REIT industry. FFO is calculated in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO represents net income (loss), excluding gains (losses) from the disposition of real estate assets, depreciation and amortization on real estate assets and adjustments for unconsolidated joint ventures’ and non-controlling interests’ share of these items.

We use AFFO to evaluate our performance on a consolidated basis and as a metric in the determination of employees’ annual bonuses beginning in 2015 and vesting of restricted stock units that were granted in 2015 and that have both service and performance conditions. In presenting AFFO, we exclude certain items that we believe are not good indicators of our current or future operating performance. AFFO represents FFO excluding depreciation and amortization expense on non-real estate assets, accretion, stock-based compensation, restructuring charges, impairment charges, acquisition costs, an installation revenue adjustment, a straight-line rent expense adjustment, amortization of deferred financing costs, gains (losses) on debt extinguishment, an income tax expense adjustment, recurring capital expenditures and adjustments for unconsolidated joint ventures’ and non-controlling interests’ share of these items. The adjustments for both installation revenue and straight-line rent expense are intended to isolate the cash activity included within the straight-lined or amortized results in the consolidated statement of operations.

Our FFO and AFFO for the three and nine months ended September 30, 2015 and 2014 were as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Net income	$ 41,132	$ 42,961	$177,043	$ 94,377
Net income attributable to redeemable non-controlling interests	—	(120)	—	1,179
Net income attributable to Equinix	41,132	42,841	177,043	95,556
Adjustments:				
Real estate depreciation and amortization	109,856	103,781	319,825	304,020
Gain/loss on disposition of real estate property	182	31	803	247
Adjustments for FFO from unconsolidated joint ventures	27	28	84	84
Non-controlling interests' share of above adjustments	—	(622)	—	(5,303)
NAREIT FFO attributable to common shareholders	$151,197	$146,059	$497,755	$394,604

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
NAREIT FFO attributable to common shareholders	$151,197	$146,059	$497,755	$394,604
Adjustments:				
Installation revenue adjustment	8,527	6,079	29,655	18,496
Straight-line rent expense adjustment	1,251	3,353	6,469	9,713
Amortization of deferred financing costs	3,934	3,794	11,640	15,076
Stock-based compensation expense	33,969	27,662	98,575	86,473
Non-real estate depreciation expense	15,946	9,397	42,244	24,754
Amortization expense	6,601	6,844	19,346	20,953
Accretion expense	865	1,327	2,653	1,306
Recurring capital expenditures	(25,910)	(19,775)	(75,613)	(72,242)
Loss on debt extinguishment	—	—	—	51,183
Acquisition costs	13,352	(281)	24,374	580
Income tax expense adjustment (1)	643	22,240	(3,549)	19,469
Adjustments for AFFO from unconsolidated joint ventures	(14)	(18)	(44)	(58)
Non-controlling interests share of above adjustments	—	151	—	(3,134)
Adjusted Funds from Operations (AFFO)	$210,361	$206,832	$653,505	$567,173

(1) Represents changes in our income tax reserves and valuation allowances that may not recur or may not relate to the current year's operations.

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

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 real, British pound, Canadian dollar, Euro, Swiss franc, Australian dollar, Hong Kong dollar, Japanese yen, Singapore dollar and United Arab Emirates dirham. 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 with functional currencies other than the U.S. dollar are converted into U.S. dollars at the exchange rates in effect for the comparable prior period rather than the actual exchange rates in effect during the respective periods (i.e. average rates in effect for the three months ended September 30, 2014 are used as exchange rates for the three months ended September 30, 2015 when comparing the three months ended September 30, 2015 with the three months ended September 30, 2014 and average rates in effect for the nine months ended September 30, 2014 are used as exchange rates for the nine months ended September 30, 2015 when comparing the nine months ended September 30, 2015 with the nine months ended September 30, 2014).

Liquidity and Capital Resources

As of September 30, 2015, our total indebtedness was comprised of (i) convertible debt principal totaling $157.9 million from our 4.75% convertible subordinated notes (gross of discount) and (ii) non-convertible debt and financing obligations totaling $4.5 billion consisting of (a) $2.8 billion of principal from our senior notes, (b) approximately $1.2 billion from our capital lease and other financing obligations, and (c) $542.0 million of principal from our mortgage and loans payable (gross of discount and premium).

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, payment of tax liabilities related to our conversion to a REIT, payment of the cash portion of the special distributions, payment of regular dividends and completion of our publicly-announced expansion projects. As of September 30, 2015, we had $339.5 million of cash, cash equivalents and short-term and long-term investments, of which approximately $104.8 million was held in the U.S. The decrease in our cash, cash equivalent, short-term and long-term investments from December 31, 2014 was primarily due to a transfer of approximately $493.8 million to a restricted cash account in connection with our announcement of our offer for the entire issued and to be issued share capital of TelecityGoup in May 2015. 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 cash and investment portfolio, we have additional liquidity available to us from the $1.0 billion revolving credit facility that forms part of our $1.5 billion senior credit facility, the $1.3 billion Bridge Loan that was entered into in May 2015, which is designated for the completion of the TelecityGroup acquisition, which we expect to close in the first half of 2016, and the $395.8 million Bridge Term Loan that was entered into in September 2015, which is designated for the completion of Bit-isle acquisition, which we expect to close by the end of 2015. However, we intend to obtain permanent financing for the $1.3 billion Bridge Loan prior to the closing of the TelecityGroup acquisition and the $395.8 million Bridge Term Loan within 10 months of the initial borrowing, which would ultimately replace both the Bridge Loan and Bridge Term Loan.

As of September 30, 2015, we had 28 irrevocable letters of credit totaling $42.7 million issued and outstanding under the U.S. revolving credit line; as a result, we had a total of approximately $957.3 million of additional liquidity available to us under the revolving credit facility. Besides 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, 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. We are also now operating as a REIT and paying regular, recurring cash dividends. While we expect to fund these plans with our existing resources, additional financing, either debt or equity, may be required and 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

	Nine Months Ended September 30,	
	2015	2014
	(dollars in thousands)	
Net cash provided by operating activities	$ 659,675	$ 487,123
Net cash provided by (used in) investing activities	(605,931)	184,072
Net cash provided by (used in) financing activities	(319,768)	(572,449)

Operating Activities. The increase in net cash provided by operating activities was primarily due to improved operating results and favorable working capital activities such as decreased payments of certain accounts payable and accrued expenses and increased collections of customer receivables, and decreased income tax payments. During the three months ended September 30, 2014, we experienced an increase in days sales outstanding ("DSO"). During the first half of 2014, we had centralized responsibilities for billing and collection in the EMEA region. This transition of responsibilities resulted in an increase to the overall DSO in the prior period. We expect we will continue to generate cash from our operating activities during the remainder of 2015 and beyond.

Investing Activities. The net cash used in investing activities for the nine months ended September 30, 2015 was primarily due to a $493.8 million increase in restricted cash in connection with our cash and share offer for TelecityGroup, $587.5 million of capital expenditures primarily as a result of expansion activity, $38.3 million for the purchases of land in San Jose, California, and $338.4 million of purchases of investments, offset by sales and maturities of investments for $861.9 million. The net cash provided by investing activities for the nine months ended September 30, 2014 was primarily due to $757.7 million of sales and maturities of investments, partially offset by $136.5 million of purchases of investments, $421.7 million of capital expenditures primarily as a result of expansion activity and $16.8 million for the purchase of a plot of land in Melbourne, Australia.

During 2015, we expect that our IBX expansion construction activity will be greater than our 2014 levels. However, if the opportunity to expand is greater than planned and we have sufficient funding to pursue such expansion opportunities, we may further increase the level of capital expenditures to support this growth as well as pursue additional business acquisitions, property acquisitions or joint ventures. In May 2015, we announced a cash and share offer valued at approximately £2.4 billion or $3.6 billion for the entire issued and to be issued share capital of TelecityGroup. In September 2015, we announced a cash tender offer for all issued and outstanding shares of Bit-isle valued at ¥33.3 billion Japanese Yen or approximately $280.0 million at the time of the announcement. We currently anticipate that the Bit-isle and TelecityGroup acquisitions will close in the fourth quarter of 2015 and first half of 2016, respectively.

Financing Activities. The net cash used in financing activities for the nine months ended September 30, 2015 was primarily due to $529.4 million of repayments of U.S. dollar-denominated term loan and other mortgage and loan payments, and $291.0 million of dividend distributions, partially offset by $490.0 million of proceeds from our term loan modification and $29.9 million of proceeds from employee equity awards. The net cash used in financing activities for the nine months ended September 30, 2014 was primarily due to $298.0 million of purchases of treasury stock under our share repurchase program that was approved by our Board of Directors in December 2013, approximately $226.3 million to buy-out Riverwood's interest in ALOG, along with the approximate 10% of ALOG owned by ALOG management, $29.5 million paid in connection with the exchanges of the 3.00% convertible subordinated notes and 4.75% convertible subordinated notes and $50.7 million of repayments of other long-term debt and capital lease and other financing obligations, partially offset by $28.2 million of proceeds from employee equity awards and $17.5 million of excess tax benefits from stock-based compensation. Going forward, we expect that our financing activities will consist primarily of repayment of our debt and additional financings needed to support expansion opportunities, additional acquisitions or joint ventures, the payment of our regular cash dividends and the cash portion of our 2015 Special Distributions. We expect to draw on the Bit-isle Bridge Term Loan to fund the acquisition and pay down Bit-isle's existing debt. We also expect to obtain permanent financing prior to the closing of the TelecityGroup acquisition to replace and terminate the Bridge Loan.

Contractual Obligations and Off-Balance-Sheet Arrangements

We lease a majority of our IBX data centers and certain equipment under non-cancelable lease agreements expiring through 2053. The following represents our debt maturities, financings, leases and other contractual commitments as of September 30, 2015 (in thousands):

	2015 (3 months)	2016	2017	2018	2019	Thereafter	Total
Capital lease and other financing obligations (1)	$ 32,373	$123,793	$128,880	$132,382	$132,475	$1,463,809	$2,013,712
Operating leases (2)	26,189	107,119	105,201	100,513	92,848	651,052	1,082,922
Other contractual commitments (3)	410,181	133,857	62,511	13,446	12,914	7,659	640,568
Asset retirement obligations (4)	—	526	9,178	3,342	11,725	49,667	74,438
	$468,743	$365,295	$305,770	$249,683	$249,962	$2,172,187	$3,811,640

(1) Represents principal and interest.
(2) Represents minimum operating lease payments, excluding potential lease renewals.
(3) Represents off-balance sheet arrangements. Other contractual commitments are described below.
(4) Represents liability, net of future accretion expense.

In connection with the cash and share offer to TelecityGroup, we have entered into a cooperation agreement with TelecityGroup to secure the clearances and authorization necessary to satisfy the regulatory pre-condition to the TelecityGroup acquisition. We have agreed to pay to TelecityGroup £50.0 million or approximately $76.4 million if: (i) on or prior to November 29, 2016, we invoke the regulatory approvals condition, or (ii) on November 29, 2016, the regulatory approvals condition is not satisfied or waived by us.

In connection with certain of our leases and other contracts requiring deposits, we entered into 28 irrevocable letters of credit totaling $42.7 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 $25.0 million as of September 30, 2015. 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 data center expansion projects, as of September 30, 2015, we were contractually committed for $244.7 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 2015 and thereafter, is reflected in the table above as “other contractual commitments.”

We had other non-capital purchase commitments in place as of September 30, 2015, 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 2015 and beyond. Such other purchase commitments as of September 30, 2015, which total $395.9 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 $143.5 million to $243.5 million, in addition to the $640.6 million in contractual commitments discussed above as of September 30, 2015, in our various IBX data center expansion projects during 2015 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 GAAP. 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 ongoing 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, 2014.

As discussed previously, on December 23, 2014, our Board of Directors formally approved our conversion to a REIT effective on January 1, 2015. We completed the implementation of the REIT conversion in 2014. Effective on January 1, 2015, we have elected to be treated as a REIT for federal income tax purposes. As a REIT, we are generally not subject to federal income taxes on the taxable income distributed to our stockholders. We intend to distribute the entire taxable income generated by the operations of our REIT and QRSs for the tax year ending December 31, 2015. As such, no provision for U.S. income taxes for the REIT has been included in the accompanying condensed consolidated financial statements for the nine months ended September 30, 2015. Substantially all our income tax expense are the foreign income tax incurred by our foreign subsidiaries and the U.S. income tax incurred by our U.S. TRSs.

We have made TRS elections for some of our subsidiaries in and outside the U.S. In general, a TRS may provide services that would otherwise be considered impermissible for REITs to provide and may hold assets that REITs cannot hold directly. U.S. income taxes for the TRS entities located in the country and foreign income taxes for our foreign operations were accrued, as necessary, for the nine months ended September 30, 2015.

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 nine months ended September 30, 2015 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, 2014, the U.S. dollar strengthened relative to certain of the currencies of the foreign countries in which we operate during the nine months ended September 30, 2015. 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.

Excluding consideration from hedging contracts, an immediate 10% appreciation in current foreign exchange rates as of September 30, 2015 would have resulted in an increase of $94.4 million and $20.3 million in revenue and net income before taxes for the nine months ended September 30, 2015. Excluding consideration from hedging contracts, an immediate 10% depreciation in current foreign exchange rates as of September 30, 2015 would have resulted in a decrease of $93.5 million and $16.7 million in revenue and net income before taxes for the nine months ended September 30, 2015.

Item 4. Controls and Procedures

(a) ***Evaluation of Disclosure Controls and Procedures.*** Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation, pursuant to Rule 13a-15 promulgated under the Securities Act of 1934, as amended (the "Exchange Act"), of the effectiveness of our "disclosure controls and procedures" as of the end of the period covered by this quarterly report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

(b) ***Changes in Internal Control over Financial Reporting.*** During the quarter ended September 30, 2015, we concluded the implementation of certain systems used in our EMEA operations to support our quote to order and billing process. This implementation resulted in certain changes to our processes and procedures affecting our internal control over financial reporting. Therefore, we have modified the design and documentation of the internal control processes and procedures relating to the new systems to update and enhance existing internal controls. The system changes were undertaken as a business initiative to integrate systems in EMEA and were not undertaken in response to any actual or perceived deficiencies in our internal control over financial reporting. Other than as described above, there have not been any changes in our internal control over financial reporting during the period covered by this Quarterly Report on Form 10-Q 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

None

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:

Risks Related to the Acquisition of TelecityGroup

Consummation of the TelecityGroup acquisition is subject to the satisfaction of certain conditions which, if not satisfied, may result in the TelecityGroup acquisition not proceeding.

Completion of the TelecityGroup acquisition is subject to among other things:

- the receipt of regulatory approvals;
- the approval by TelecityGroup shareholders of the scheme of arrangement;
- the sanction of the scheme of arrangement by the UK High Court and the registration of the Scheme Court Order with the UK Registrar of Companies; and
- the approval for listing on the NASDAQ Global Select Market of our common stock to be issued in the TelecityGroup acquisition.

Although we believe that the conditions will be satisfied, it is possible that the parties may not satisfy these conditions, or that they may not be satisfied by the long stop date of November 29, 2016, or that they may only be satisfied subject to certain conditions or undertakings which may not be acceptable.

We cannot provide any assurance that the TelecityGroup acquisition will be completed, or that there will not be a delay in the completion of the TelecityGroup acquisition. Any delay could, among other things, result in additional transaction costs, loss of revenue or other negative effects resulting from uncertainty about completion of the TelecityGroup acquisition. We are also party to a cooperation agreement with TelecityGroup, containing restrictions on the conduct of our business, which may adversely affect our ability to execute our business strategies.

We have agreed to pay to TelecityGroup £50.0 million if: (i) on or prior to November 29, 2016, we invoke the regulatory approvals condition, or (ii) on November 29, 2016, the regulatory approvals condition is not satisfied or waived by us.

We also have a $1.3 billion Bridge Loan to complete the TelecityGroup acquisition that we intend to replace with permanent financing prior to the closing. If we are unable to replace the Bridge Loan with alternative financing, the terms of the Bridge Loan would be more costly than our existing debt obligations.

If the TelecityGroup acquisition does not proceed or is materially delayed for any reason, the price of our common stock may be adversely impacted and we will not recognize the anticipated benefits of the TelecityGroup acquisition.

We expect to incur significant transaction and acquisition-related integration costs in connection with the consummation of the TelecityGroup acquisition.

We expect to incur significant costs in connection with consummating the TelecityGroup acquisition and integrating our and TelecityGroup’s operations into a combined company. However, the actual costs incurred may exceed those estimated and there may be further unanticipated costs and the assumption of known and unknown liabilities. While we have assumed that we will incur transaction and integration expenses, there are factors beyond our control that could affect the total amount or the timing of such expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time.

As a result, the transaction and integration expenses associated with the TelecityGroup acquisition could, particularly in the near term, exceed the cost savings that we expect to achieve from the streamlining of operations following the completion of the TelecityGroup acquisition.

The anticipated benefits of the TelecityGroup acquisition may not be realized fully and may take longer to realize than expected and there will be numerous challenges associated with integration.

The success of the TelecityGroup acquisition will depend, in part, on the combined company's ability to successfully integrate our and TelecityGroup's businesses, which currently operate as independent public companies, and realize the anticipated benefits, including synergies and cost savings, from the combination. If we are unable to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits may not be realized fully or at all, or may take longer to realize than expected and the value of the combined company's common stock may be adversely affected.

We will incur significant transaction-related costs in connection with the TelecityGroup acquisition and the integration process. We may encounter material challenges in connection with this integration process, including, without limitation:

- the diversion of management's attention from ongoing business concerns and performance shortfalls at one or both of the companies as a result of the devotion of management's attention to the TelecityGroup acquisition;
- managing a larger combined company;
- integrating two unique corporate cultures, which may prove to be challenging;
- retaining key employees, customers and suppliers, each of whom may experience uncertainty associated with the TelecityGroup acquisition or who may attempt to negotiate changes in their current or future business relationships with us;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations; and
- unforeseen expenses or delays associated with the TelecityGroup acquisition.

Many of these factors will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact our business, financial condition and results of operations.

Our stockholders will have a reduced ownership and voting interest after the consummation of the TelecityGroup acquisition.

If the TelecityGroup acquisition completes, the TelecityGroup shareholders are expected to beneficially own approximately 10.1% of the common stock of the combined company after the TelecityGroup acquisition. Consequently, our current stockholders will own a smaller proportion of our common stock than the proportion of our common stock owned immediately prior to completion of the TelecityGroup acquisition and, as a result, the number of voting rights which can be exercised and the influence which may be exerted by our stockholders in respect of the combined company will be reduced.

The market price of our common stock may decline as a result of the TelecityGroup acquisition.

The market price of our common stock may decline as a result of the TelecityGroup acquisition if we do not achieve the perceived benefits of the TelecityGroup acquisition as rapidly or to the extent anticipated by financial or industry analysts or if the effect of the TelecityGroup acquisition on our financial results is not consistent with the expectations of financial or industry analysts. Current stockholders may not wish to continue to invest in us if the TelecityGroup acquisition is consummated or for other reasons may wish to dispose of some or all of their shares of our common stock. If, following the consummation of the TelecityGroup acquisition, there is selling pressure on our common stock that exceeds demand at the market price, the price of our common stock could decline. In addition, TelecityGroup shareholders are expected to own approximately 10.1% of the common stock of the combined company, and they may decide to sell their common stock following the TelecityGroup acquisition, which may result in additional pressure on the price of our common stock.

We would incur adverse tax consequences if the combined company following the TelecityGroup acquisition failed to qualify as a REIT for U.S. federal income tax purposes.

We believe that, following the TelecityGroup acquisition, we will integrate TelecityGroup's assets and operations in a manner that will allow us to timely satisfy the REIT income, asset, and distribution tests applicable to us. However, if we fail to do so, we could jeopardize or lose our qualification for taxation as a REIT, particularly if we were ineligible to utilize relief provisions set forth in the Internal Revenue Code of 1986. For any taxable year that we fail to qualify for taxation as a REIT, we would not be allowed a deduction for distributions to our stockholders in computing our taxable income, and thus be subject to U.S. federal and state income tax at the regular corporate rates on all of our U.S. federal and state taxable income in the manner of a regular corporation. Those corporate level taxes would reduce the amount of cash available for distribution to our stockholders or for reinvestment or other purposes, and would adversely affect our earnings. As a result, our failure to qualify for taxation as a REIT during any taxable year could have a material adverse effect upon us and our stockholders. Furthermore, unless prescribed relief provisions apply, we would not be eligible to elect REIT status again until the fifth taxable year that begins after the first year for which we failed to qualify as a REIT. Finally, even if we are able to utilize relief provisions and thereby avoid disqualification for taxation as a REIT, relief provisions typically involve paying a penalty tax in proportion to the severity and duration of the noncompliance with REIT requirements, and thus these penalty taxes could be significant in the context of noncompliance stemming from a transaction as large as the TelecityGroup acquisition.

Risks Related to Operating as a REIT

We may not remain qualified as a REIT.

We expect to be taxed as a REIT under the Code, commencing with our taxable year that began January 1, 2015. We believe we are operating so as to qualify as a REIT under the Code and believe that our organization and method of operation complies with the rules and regulations promulgated under the Code and will enable us to continue to qualify as a REIT. However, we cannot assure you that we will qualify as a REIT, or that we will remain qualified as a REIT. Qualification as a REIT requires us to satisfy numerous requirements (some on an annual and others on a quarterly basis) established under highly technical and complex sections of the Code which may change from time to time and for which there are only limited judicial and administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. For example, in order to qualify as a REIT, we must derive at least 95% of our gross income in any year from qualifying sources. In addition, we must satisfy specified asset tests on a quarterly basis.

If, in any taxable year, we fail to qualify for taxation as a REIT and are not entitled to relief under the Code:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income;
- we will be subject to federal and state income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates; and
- we will be disqualified from REIT tax treatment for four taxable years following the year we were so disqualified.

Any such corporate tax liability could be substantial and would reduce the amount of cash available for other purposes.

In addition, if we fail to qualify as a REIT, we still will have incurred substantial costs to support the REIT conversion and may still be subject to federal and state tax liabilities of approximately $360.0 to $370.0 million resulting from the recapture of depreciation and amortization expenses, of which $346.3 million has been settled as of September 30, 2015.

As a REIT, failure to make required distributions would subject us to federal corporate income tax.

We paid quarterly distributions in the first, second and third quarters of 2015 and our Board of Directors declared the 2015 Special Distribution and a quarterly distribution, each of which is payable in the fourth quarter of 2015. The amount, timing and form of any future distributions will be determined, and will be subject to adjustment, by our Board of Directors. To qualify and be taxed as a REIT, we are generally required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. Generally, we expect to distribute all or substantially all of our REIT taxable income. If our cash available for distribution falls short of our estimates, we may be unable to maintain distributions that approximate our REIT taxable income and may fail to qualify for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the payment of expenses and the recognition of income and expenses for federal income tax purposes, or the effect of nondeductible expenditures, such as capital expenditures, payments of compensation for which Section 162(m) of the Code denies a deduction, the creation of reserves or required debt service or amortization payments.

To the extent that we satisfy the 90% distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax on our undistributed taxable income if the actual amount that we distribute to our stockholders for a calendar year is less than the minimum amount specified under the Code.

We may be required to borrow funds or raise equity to satisfy our REIT distribution requirements.

Due to the cash outlays associated with our conversion to a REIT, or the size and timing of future regular or special distributions, including any distributions made to satisfy REIT distribution requirements and maintain our qualification and taxation as a REIT, we may need to borrow funds or raise equity, even if the then-prevailing market conditions are not favorable for these borrowings or offerings.

Any insufficiency of our cash flows to cover our REIT distribution requirements could adversely impact our ability to raise short- and long-term debt or to offer equity securities in order to fund distributions required to maintain our qualification and taxation as a REIT. Furthermore, the REIT distribution requirements may increase the financing we need to fund capital expenditures, future growth and expansion initiatives. This would increase our indebtedness. A significant increase in our outstanding debt could lead to a downgrade of our credit rating. A downgrade of our credit rating could negatively impact our ability to access credit markets. Further, certain of our current debt instruments limit the amount of indebtedness we and our subsidiaries may incur. Significantly more financing, therefore, may be unavailable, more expensive or restricted by the terms of our outstanding indebtedness. For a discussion of risks related to our substantial level of indebtedness, see “Other Risks”.

Whether we issue equity, at what price and the amount and other terms of any such issuances will depend on many factors, including alternative sources of capital, our then-existing leverage, our need for additional capital, market conditions and other factors beyond our control. If we raise additional funds through the issuance of equity securities or debt convertible into equity securities, the percentage of stock ownership by our existing stockholders may be reduced. In addition, new equity securities or convertible debt securities could have rights, preferences and privileges senior to those of our current stockholders, which could substantially decrease the value of our securities owned by them. Depending on the share price we are able to obtain, we may have to sell a significant number of shares in order to raise the capital we deem necessary to execute our long-term strategy, and our stockholders may experience dilution in the value of their shares as a result.

Legislative or other actions affecting REITs could have a negative effect on us or our stockholders.

At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. Federal and state tax laws are constantly under review by persons involved in the legislative process, the IRS, the U.S. Department of the Treasury and state taxing authorities. Changes to the tax laws, regulations and administrative interpretations, which may have retroactive application, could adversely affect us. In addition, some of these changes could have a more significant impact on us as compared to other REITs due to the nature of our business and our substantial use of TRSs. We cannot predict with certainty whether, when, in what forms, or with what effective dates, the tax laws, regulations and administrative interpretations applicable to us may be changed.

Complying with REIT requirements may limit our flexibility or cause us to forego otherwise attractive opportunities.

As a REIT for U.S. federal income tax purposes, we must satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets and the amounts we distribute to our stockholders. For example, under the Code, no more than 25% of the value of the assets of a REIT may be represented by securities of our TRS and other nonqualifying assets. This limitation may affect our ability to make large investments in other non-REIT qualifying operations or assets. In addition, in order to maintain qualification as a REIT, we must annually distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. Even if we maintain our qualification as a REIT, we will be subject to U.S. federal income tax at regular corporate rates for our undistributed REIT taxable income, as well as U.S. federal income tax at regular corporate rates for income recognized by our TRS. Because of these distribution requirements, we will likely not be able to fund future capital needs and investments from operating cash flow. As such, compliance with REIT tests may hinder our ability to make certain attractive investments, including the purchase of significant nonqualifying assets and the material expansion of non-real estate activities.

As a REIT, we are limited in our ability to fund distribution payments using cash generated through our TRSs.

Our ability to receive distributions from our TRSs is limited by the rules with which we must comply to maintain our status as a REIT. In particular, at least 75% of our gross income for each taxable year as a REIT must be derived from real estate. Consequently, no more than 25% of our gross income may consist of dividend income from our TRSs and other nonqualifying types of income. Thus, our ability to receive distributions from our TRSs may be limited, and may impact our ability to fund distributions to our stockholders using cash flows from our TRSs. Specifically, if our TRSs become highly profitable, we might become limited in our ability to receive net income from our TRSs in an amount required to fund distributions to our stockholders commensurate with that profitability.

In addition, a significant amount of our income and cash flows from our TRSs will be generated from our international operations. In many cases, there are local withholding taxes and currency controls that may impact our ability or willingness to repatriate funds to the United States to help satisfy REIT distribution requirements.

Our planned extensive use of TRSs, including for certain of our international operations, may cause us to fail to qualify as a REIT.

The net income of our TRSs is not required to be distributed to the REIT, and income that is not distributed to the REIT generally will not be subject to the REIT income distribution requirement. However, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes the fair market value of our securities in our TRSs and other nonqualifying assets to exceed 25% of the fair market value of our assets, we would fail to qualify as a REIT.

Our cash distributions are not guaranteed and may fluctuate.

A REIT generally is required to distribute at least 90% of its REIT taxable income to its stockholders.

Our Board of Directors, in its sole discretion, will determine on a quarterly basis the amount of cash to be distributed to our stockholders based on a number of factors including, but not limited to, our results of operations, cash flow and capital requirements, economic conditions, tax considerations, borrowing capacity and other factors, including debt covenant restrictions that may impose limitations on cash payments, future acquisitions and divestitures and any stock repurchase program. Consequently, our distribution levels may fluctuate.

Even if we qualify as a REIT, some of our business activities are subject to corporate level income tax and foreign taxes, which will continue to reduce our cash flows, and we will have potential deferred and contingent tax liabilities.

As a REIT, we may be subject to some federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income, and state, local or foreign income, franchise, property and transfer taxes. In addition, we could in certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Code to maintain qualification for taxation as a REIT.

A portion of our business is conducted through wholly owned TRSs because certain of our business activities could generate nonqualifying REIT income as currently structured and operated. The income of our U.S. TRSs will continue to be subject to federal and state corporate income taxes. In addition, our international assets and operations will continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted. Any of these taxes would decrease our earnings and our available cash.

We will also be subject to a federal corporate level tax at the highest regular corporate rate (currently 35%) on gain recognized from a sale of assets occurring within a specified period (generally ten years) after the effective date of our REIT election, that is, January 1, 2015, to the extent of the built-in-gain based on the fair market value of those assets on the effective date of the REIT election in excess of our then tax basis. In addition, depreciation recapture income that we will recognize in 2015, as a result of accounting method changes that were effective prior to January 1, 2015, will be fully subject to this 35% tax.

In addition, the IRS and any state or local tax authority may successfully assert liabilities against us for corporate income taxes for our pre-REIT period, in which case we will owe these taxes plus applicable interest and penalties, if any. Moreover, any increase in taxable income for these pre-REIT periods will likely result in an increase in pre-REIT accumulated earnings and profits, which could either increase the taxable portion of our 2015 distributions to our stockholders or cause us to pay an additional taxable distribution to our stockholders after the relevant determination.

Restrictive loan covenants could prevent us from satisfying REIT distribution requirements.

Restrictions in our credit facility and our indentures may prevent us from satisfying our REIT distribution requirements, and we could fail to qualify for taxation as a REIT. If these limits do not jeopardize our qualification for taxation as a REIT but nevertheless prevent us from distributing 100% of our REIT taxable income, we would be subject to federal corporate income tax, and potentially a nondeductible excise tax, on the retained amounts. See “Other Risks” for further information on our restrictive loan covenants.

Complying with REIT requirements may limit our ability to hedge effectively and increase the cost of our hedging and may cause us to incur tax liabilities.

The REIT provisions of the Code limit our ability to hedge assets, liabilities, revenues and expenses. Generally, income from hedging transactions that we enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets and income from certain currency hedging transactions related to our non-U.S. operations do not constitute “gross income” for purposes of the REIT gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as nonqualifying income for purposes of the REIT gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRSs would be subject to tax on income or gains resulting from hedges entered into by them or expose us to greater risks associated with changes in interest rates or exchange rates than we would otherwise want to bear. In addition, hedging losses in any of our TRSs generally will not provide any tax benefit, except for being carried forward for possible use against future capital gain in the TRSs.

We have limited experience operating as a REIT, which may adversely affect our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to forecast dividends.

We began operating as a REIT on January 1, 2015 and, as such, have limited operating history as a REIT. In addition, prior to January 1, 2015 our senior management team had no prior experience operating a REIT. We can provide no assurance that our past experience has sufficiently prepared us to operate successfully as a REIT. Our inability to operate successfully as a REIT, including the failure to maintain REIT status, could adversely affect our business, financial condition and results of operations.

Distributions payable by REITs generally do not qualify for preferential tax rates.

Qualifying distributions payable by corporations to individuals, trusts and estates that are U.S. stockholders are currently eligible for federal income tax at preferential rates. Distributions payable by REITs, in contrast, generally are not eligible for the preferential rates. The preferential rates applicable to regular corporate distributions could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stock of non-REIT corporations that pay distributions, which could adversely affect the value of the stock of REITs, including our common stock.

Our certificate of incorporation contains restrictions on the ownership and transfer of our stock, though they may not be successful in preserving our REIT status.

As a REIT, no more than 50% of the value of outstanding shares of our stock may be owned, beneficially or constructively, by five or fewer individuals at any time during the last half of each taxable year other than the first year for which we elect to be taxed as a REIT. In addition, rents from “affiliated tenants” will not qualify as qualifying REIT income if we own 10% or more by vote or value of the customer, whether directly or after application of attribution rules under the Code. Subject to certain exceptions, our certificate of incorporation prohibits any stockholder from owning beneficially or constructively more than (i) 9.8% in value of the outstanding shares of all classes or series of our capital stock or (ii) 9.8% in value or number, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. We refer to these restrictions collectively as the “ownership limits” and we included them in our certificate of incorporation to facilitate our compliance with REIT tax rules. The constructive ownership rules under the Code are complex and may cause the outstanding stock owned by a group of related individuals or entities to be deemed to be constructively owned by one individual or entity. As a result, the acquisition of less than 9.8% of our outstanding common stock (or the outstanding shares of any class or series of our stock) by an individual or entity could cause that individual or entity or another individual or entity to own constructively in excess of the relevant ownership limits. Any attempt to own or transfer shares of our common stock or of any of our other capital stock in violation of these restrictions may result in the shares being automatically transferred to a charitable trust or may be void. Even though our certificate of incorporation contains the ownership limits, there can be no assurance that these provisions will be effective to prevent our REIT status from being jeopardized, including under the affiliated tenant rule. Furthermore, there can be no assurance that we will be able to enforce the ownership limits. If the restrictions in our certificate of incorporation are not effective and as a result we fail to satisfy the REIT tax rules described above, then absent an applicable relief provision, we will fail to qualify as a REIT.

Other Risks

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

In May 2015, we announced a cash and share offer for the entire issued and to be issued share capital of TelecityGroup for total consideration of approximately $3.6 billion at the time of announcement. In September 2015, we announced a cash tender offer for all issued and outstanding shares of Bit-isle Inc. for total consideration of approximately $280 million at the time of announcement. Over the last several years, we have completed several acquisitions, including that of Switch & Data Facilities Company, Inc. ("Switch and Data") in 2010, an approximate 53% controlling equity interest in ALOG Data Centers do Brasil S.A. ("ALOG") in 2011 and the remaining outstanding shares of ALOG in 2014, Asia Tone Limited and ancotel GmbH in 2012, an acquisition of a Dubai IBX data center in 2012, an acquisition of a carrier hotel in Frankfurt in 2013 and Nimbo in 2015. We may make additional acquisitions in the future, which may include (i) acquisitions of businesses, products, services or technologies that we believe to be complementary, (ii) acquisitions of new IBX data centers or real estate for development of new IBX data centers or (iii) acquisitions 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, particularly when multiple acquisitions and integrations are occurring at the same time;
- 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 in connection with our acquisition of Switch and Data, or our pending acquisition of TelecityGroup;
- the possibility of customer dissatisfaction if we are unable to achieve levels of quality and stability on par with past practices;
- the potential deterioration to our ability to access credit markets due to increased leverage;
- 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 may present new complexities in deal structure, related complex accounting and coordination with new partners, particularly in light of our status as a REIT;
- the possibility that future acquisitions may be in geographies and regulatory environments 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, or other issues not discovered in the diligence process.

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 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 and may need to incur additional debt to support our growth. Additional debt may also be incurred to fund future acquisitions, any future special distributions, regular distributions or the other cash outlays associated with maintaining qualification as a REIT. As of September 30, 2015, our total indebtedness was approximately $4.7 billion, our stockholders' equity was $1.5 billion and our cash and investments totaled $339.5 million. In addition, as of September 30, 2015, we had approximately $957.3 million of additional liquidity available to us from our $1.0 billion revolving credit facility as part of a $1.5 billion senior credit facility agreement entered into with a group of lenders, approximately $1.3 billion from the Bridge Loan entered into to fund the TelecityGroup acquisition, and approximately $395.8 million from the Bridge Loan Agreement entered into to fund the Bit-isle acquisition. 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 data centers and certain equipment under non-cancellable lease agreements, the majority of which are accounted for as operating leases. As of September 30, 2015, our total minimum operating lease commitments under those lease agreements, excluding potential lease renewals, was approximately $1.1 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, they could:

- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt and in respect of other off-balance sheet arrangements, reducing the availability of our cash flow to fund future capital expenditures, working capital, execution of our expansion strategy and other general corporate requirements;
- increase the likelihood of negative outlook from our rating agencies;
- make it more difficult for us to satisfy our obligations under our various debt instruments;
- increase our cost of borrowing and even limit our ability to access additional debt to fund future growth;
- 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. We also have a $1.3 billion Bridge Loan to complete the TelecityGroup acquisition that we intend to replace with permanent financing prior to the closing. If we are unable to replace the Bridge Loan with alternative financing, the terms of the Bridge Loan would be more costly than our existing debt obligations. 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. An uncertain global economy could also result in churn in our customer base, reductions in revenues from our offerings, longer sales cycles, slower adoption of new technologies and increased price competition, adversely affecting our liquidity. The uncertain economic environment could also have an impact on our foreign exchange forward contracts if our counterparties' credit deteriorates 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.

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, tax planning or business strategy;
- our qualification as a REIT and our declaration of distributions to our stockholders;
- a 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 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, obligations to service our debt and the cash outlays associated with our REIT distribution requirements, 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 and revenues could be adversely affected by declines in foreign currencies relative to the U.S. dollar, thereby making our offerings 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 currently undertake, and may decide in the future to further undertake, foreign exchange hedging transactions to reduce foreign currency transaction exposure, we do not currently intend to eliminate all foreign currency transaction exposure. In addition, REIT compliance rules may restrict our ability to enter into hedging transactions. 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 on Form 10-Q.

Changes in U.S. or foreign tax laws, regulations, or interpretations thereof, including changes to tax rates, may adversely affect our financial statements and cash taxes.

We are a U.S. company with global subsidiaries and are subject to income taxes in the U.S. (although currently limited due to our REIT status) and many foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. Although we believe that we have adequately assessed and accounted for our potential tax liabilities, and that our tax estimates are reasonable, there can be no certainty that additional taxes will not be due upon audit of our tax returns or as a result of changes to the tax laws and interpretations thereof. The U.S. Congress as well as the governments of many of the countries in which we operate are actively discussing changes to the corporate recognition and taxation of worldwide income. The nature and timing of any changes to each jurisdiction’s tax laws and the impact on our future tax liabilities cannot be predicted with any accuracy but could materially and adversely impact our results of operations and financial position or cash flows.

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 offerings have a long sales cycle that may harm our revenues and operating results.

A customer’s decision to purchase our offerings 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 devote 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 recent years, and it will take time for these new hires to become fully productive.

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 and cause volatility in our stock price.

Any failure of our physical infrastructure or offerings 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 solutions. We must safehouse our customers' infrastructure and equipment located in our IBX data centers. We own certain of our IBX data centers, but others are leased by us, and we rely on the landlord for basic maintenance of our leased IBX data centers. 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 offerings 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. 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.

Furthermore, we are dependent upon Internet service providers, telecommunications carriers and other website operators in the Americas, Asia-Pacific and EMEA regions and elsewhere, some of which have experienced significant system failures and electrical outages in the past. Our customers may in the future experience difficulties due to system failures unrelated to our systems and offerings. 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.

We are currently making significant investments in our back office information technology systems, including those surrounding the customer experience from initial quote to customer billing, and upgrading our worldwide financial application suite. Difficulties, distractions or disruptions to these efforts may interrupt our normal operations and adversely affect our business and operating results.

Commencing in 2012, we began a significant project to overhaul our back office systems that support the customer experience from initial quote to customer billing and our revenue recognition process. Additionally, commencing in 2013, we began to devote significant resources to the upgrade of our worldwide financial application suite from Oracle’s version 11i to R12. Both projects have continued into 2015. Oracle has already begun to discontinue its support for our current business application suite. While the Oracle financial application suite implementation was largely completed in July 2014 and the initial implementation of the systems to support our billing and revenue process was completed in August 2014, work continues on our back office systems including further deployments of these systems to additional countries. As a result of that discontinued support and our continued work on these projects, we may experience difficulties with our systems, management distraction and significant business disruptions. Difficulties with our systems may interrupt our ability to accept and deliver customer orders and may adversely impact our overall financial operations, including our accounts payable, accounts receivables, general ledger, close processes, internal financial controls and our ability to otherwise run and track our business. We may need to expend significant attention, time and resources to correct problems or find alternative sources for performing these functions. All of these changes to our financial systems create an increased risk of deficiencies in our internal controls over financial reporting until such systems are stabilized. Such significant investments in our back office systems may take longer to complete and cost more than originally planned. In addition, we may not realize the full benefits we hoped to achieve and there is a risk of an impairment charge if we decide that portions of these projects will not ultimately benefit the company or are de-scoped. Any such difficulty or disruption may adversely affect our business and operating results.

The insurance coverage that we purchase may prove to be inadequate.

We carry liability, property, business interruption and other insurance policies to cover insurable risks to our company. We select the types of insurance, the limits and the deductibles based on our specific risk profile, the cost of the insurance coverage versus its perceived benefit and general industry standards. Our insurance policies contain industry standard exclusions for events such as war and nuclear reaction. We purchase minimal levels of earthquake insurance for certain of our IBX data centers, but for most of our data centers, including many in California, we have elected to self-insure. The earthquake and flood insurance that we do purchase would be subject to high deductibles and any of the limits of insurance that we purchase could prove to be inadequate, which could materially and adversely impact our business, financial condition and results of operations.

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 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 interconnection solutions to connect these two centers. Should these solutions not provide the necessary reliability to sustain connection, 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.

Regulation of greenhouse gas (“GHG”) emissions could increase the cost of electricity by reducing supplies of electricity generated from fossil fuels, by requiring the use of more expensive generating methods or by imposing taxes or fees upon electricity generation or use. Electricity is a material cost in connection with our business, and an increase in the cost of electricity, whether from regulations of GHGs or otherwise, could adversely affect us.

Regulations to limit GHG emissions have been in force in the European Union for some time. In the U.S., regulation of GHGs is in force for new sources under existing law and regulations. In addition, the U.S. Environmental Protection Agency (“EPA”) has proposed regulations under existing statutory authority that would require states to reduce GHG emissions by 30% by 2030. Certain states, like California, regulate GHG emissions by imposing regulatory caps on allowances and by selling or auctioning the rights to such emissions. These programs have not had a material adverse effect on our electricity costs to date, but due to the market-driven nature of some of the programs, could do so in the future.

In addition, regulation of GHGs is subject to change globally and nationally. For example, the United States and China recently announced an agreement regarding climate change that would require China to consider regulating its GHG emissions to prevent further increases in emissions of GHGs by 2030. In order for China to meet this commitment, China may impose limitations on fossil fuel generation or costs upon electricity, similar to those imposed in the U.S. and elsewhere. In other international forums, new commitments under the International Convention on Climate Change could result in new limits on GHG emissions within participating nations. Any such new regulations could trigger increases in electricity costs that could adversely affect our business in affected countries.

Even existing programs can change over time in ways that affect our operations. California’s cap-and-trade program was expanded on January 1, 2015 to require fuel distributors (for example, gas pipeline companies and diesel fuel distributors) to obtain allowances for the GHG emissions attributable to the combustion of the fuels they sell. Such regulations have increased our costs for both electricity and fuel (for example, for emergency generators) in California.

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 telecommunications companies, carriers, internet service providers, managed services providers and large REITs who also operate in our market and may enjoy a cost advantage in providing offerings similar to those provided by our IBX data centers. We may experience competition from our landlords 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 than 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. Similarly, with growing acceptance of cloud-based technologies, Equinix is at risk losing customers that may decide to fully leverage cloud infrastructure offerings instead of managing their own. 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 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, power shortages, planned or unplanned power outages and limitations, especially internationally, on the availability of adequate power resources.

Power outages, such as those relating to the earthquake and tsunami in Japan in 2011 or Superstorm Sandy, which hit the U.S. East Coast in 2012, could harm our customers and our business. We attempt to limit our 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. Some of our IBXs are located in leased buildings where, depending upon the lease requirements and number of tenants involved, we may or may not control some or all of the infrastructure including generators and fuel tanks. As a result, in the event of a power outage, we may be dependent upon the landlord, as well as the utility company, to restore the power.

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 power our customers draw from their installed circuits. This means that we could face power limitations in our IBX data 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.

If our internal controls are found to be ineffective, our financial results or our stock price may be adversely affected.

Our most recent evaluation of our controls resulted in our conclusion that, as of December 31, 2014, in compliance with Section 404 of the Sarbanes-Oxley Act of 2002, our internal controls over financial reporting were effective. Our ability to manage our operations and growth, through, for example, ongoing billing system updates being deployed into production during 2015, will require us to further develop our controls and reporting systems and implement or amend new or existing controls and reporting systems. All of these changes to our financial systems create an increased risk of deficiencies in our internal controls over financial reporting until such systems are stabilized. If, in the future, our internal control over financial reporting is found to be ineffective, or if a material weakness is identified in our controls over financial reporting, our financial results may be adversely affected. Investors may also lose confidence in the reliability of our financial statements which could adversely affect our stock price.

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, 2014, 2013 and 2012, we recognized approximately 49%, 46% and 44%, respectively, of our revenues outside the U.S. For the nine months ended September 30, 2015, we recognized approximately 48% of our revenues outside of the US. We currently operate outside of the U.S. in Canada, Brazil, EMEA and Asia-Pacific.

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 offerings 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 anti-bribery and corruption laws;
- compliance with economic and trade sanctions enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury; 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, economic and trade sanctions, 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 offerings 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 U.S. and Western Europe. The risk of doing business in developing markets such as Brazil, China, India, Indonesia, 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 use of high power density equipment may limit our ability to fully utilize our older IBX data centers.

Some customers have increased their use of high power density equipment, such as blade servers, in our IBX data centers which has 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 power may exceed the designed electrical capacity in these centers. As 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 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 higher power specification than that of many of our older IBX data centers, there is a risk that demand will continue to increase and our IBX data centers could become underutilized 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 an economic downturn, or 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 offerings 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 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 offerings and the gross margins associated with our products and offerings;
- the timing required for new and future IBX data 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 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;
- changes in our tax planning strategies or failure to realize anticipated benefits from such strategies;
- 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.

Our days sales outstanding (DSO) of our accounts receivables have been increasing.

Although we have historically experienced a record of strong collection of our accounts receivables as evidenced by our prior DSO metrics, our DSO has increased over the past few quarters. Our DSO was affected by the implementation of a new billing system. The initial implementation of this system was completed in August 2014, but the implementation of this system in all three regions was not completed until July 2015. While this new system is now operational in all three regions, it is not operational in all countries within each region and further developments are still underway. The ongoing changes in the billing system may result in further delays in our billing and collections. We believe these are temporary issues that will resolve themselves over time together with the overall negative impact to our DSO has had an impact to our operating cash flows, liquidity and financial performance. However, if we are unable to resolve the underlying issues that are contributing to our current DSO levels, our operating cash flows, liquidity and financial performance may continue to be impacted.

We may incur goodwill and other intangible asset impairment charges, or impairment charges to our property, plant and equipment, which could result in a significant reduction to our earnings.

In accordance with GAAP, we are required to assess our goodwill and other intangible assets annually, or more frequently whenever events or changes in circumstances indicate potential impairment, such as changing market conditions or any changes in key assumptions. If the testing performed indicates that an asset may not be recoverable, we are required to record a non-cash impairment charge for the difference between the carrying value of the goodwill or other intangible assets and the implied fair value of the goodwill or other intangible assets in the period the determination is made.

We also monitor the remaining net book values of our property, plant and equipment periodically, including at the individual IBX data center level. Although each individual IBX data center is currently performing in line with our expectations, the possibility that one or more IBX data centers could begin to under-perform relative to our expectations is possible and may also result in non-cash impairment charges.

These charges could be significant, which could have a material adverse effect on our business, results of operations or financial condition.

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

As of September 30, 2015, our accumulated deficit was $118.9 million. Although we have generated net income for each fiscal year since 2008, except for the year ended December 31, 2014, 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 uncertainty 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, or the failure to renew such 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 2053. 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 the rent to be set at then-prevailing market rates. To the extent that then-prevailing market rates or negotiated rates are higher than present rates, these higher costs may adversely impact our business and results of operations, or we may decide against renewing the lease. In the event that an IBX data center lease does not have a renewal option, or we fail to exercise a renewal option in a timely fashion and lose our right to renew the lease, we may not be successful in negotiating a renewal of the lease with the landlord. A failure to renew a lease could force us to exit a building prematurely, which could be disruptive to our business, harm our customer relationships, expose us to liability under our customer contracts, cause us to take impairment charges and negatively affect our operating results.

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 a high 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 foreign governments. 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 our offerings, 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 offerings. 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 offerings, 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 may be subject to securities class action and other litigation, which may harm our business and results of operations.

We may be subject to securities class action or 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 make assurances 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 recently adopted new network neutrality rules 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 ("CFTC") have both sought comments regarding the regulation of independent data centers, such as us, which provide colocation 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 offerings.

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 offerings 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 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:

- ownership limitations and transfer restrictions relating to our stock that are intended to facilitate our compliance with certain REIT rules relating to share ownership;
- 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;
- limits on stockholder action by written consent; and
- advance notice requirements for nominations to the Board of Directors 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.

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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

		Incorporated by Reference			
Exhibit Number	Exhibit Description	Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
2.1	Rule 2.7 Announcement, dated as May 29, 2015. Recommended Cash and Share Offer for TelecityGroup plc by Equinix, Inc.	8-K	5/29/15	2.1	
2.2	Cooperation Agreement, dated as of May 29, 2015, by and between Equinix, Inc. and Telecity Group plc.	8-K	5/29/15	2.2	
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 to the Amended and Restated Certificate of Incorporation of the Registrant	8-K	6/14/11	3.1	
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant	8-K	6/11/13	3.1	
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant	10-Q	6/30/14	3.4	
3.5	Certificate of Designation of Series A and Series A-1 Convertible Preferred Stock.	10-K/A	12/31/02	3.3	

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	Incorporated by Reference: Filing Date/ Period End Date	Incorporated by Reference: Exhibit	Filed Herewith
3.6	Amended and Restated Bylaws of the Registrant.	8-K	12/23/14	3.1	
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6.				
4.2	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	
4.3	Form of 4.75% Convertible Subordinated Note Due 2016 (see Exhibit 4.2).				
4.4	Indenture for the 2020 Notes dated March 5, 2013 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	3/5/13	4.1	
4.5	Form of 4.875% Senior Note due 2020 (see Exhibit 4.4)	8-K	3/5/13	4.2	
4.6	Indenture for the 2023 Notes dated March 5, 2013 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	3/5/13	4.3	
4.7	Form of 5.375% Senior Note due 2023 (see Exhibit 4.6)	8-K	3/5/13	4.4	
4.8	Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/14	4.1	
4.9	First Supplemental Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/14	4.2	
4.10	Form of 5.375% Senior Note due 2022 (see Exhibit 4.9)	8-K	11/20/14	4.3	
4.11	Second Supplemental Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/14	4.4	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
4.12	Form of 5.750% Senior Note due 2025 (see Exhibit 4.11)	8-K	11/20/14	4.5	
4.13	Form of Registrant's Common Stock Certificate	10-K	12/31/14	4.13	
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.	10-Q	3/31/12	10.2	
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.	10-Q	6/30/14	10.5	
10.6	Severance Agreement by and between Stephen Smith and Equinix, Inc. dated December 18, 2008.	10-K	12/31/08	10.31	
10.7	Severance Agreement by and between Peter Van Camp and Equinix, Inc. dated December 10, 2008.	10-K	12/31/08	10.32	
10.8	Severance Agreement by and between Keith Taylor and Equinix, Inc. dated December 19, 2008.	10-K	12/31/08	10.33	
10.9	Severance Agreement by and between Peter Ferris and Equinix, Inc. dated December 17, 2008.	10-K	12/31/08	10.34	
10.10	Change in Control Severance Agreement by and between Eric Schwartz and Equinix, Inc. dated December 19, 2008.	10-K	12/31/08	10.35	

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Exhibit Number	Exhibit Description	Incorporated by Reference: Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.11	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	
10.12	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	
10.13	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	
10.14	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	
10.15	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	
10.16	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	
10.17	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	

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.18	Change in Control Severance Agreement by and between Charles Meyers and Equinix, Inc. dated September 30, 2010.	10-Q	9/30/10	10.42	
10.19	Form of amendment to existing severance agreement between the Registrant and each of Messrs. Ferris, Meyers, Smith, Taylor and Van Camp.	10-K	12/31/10	10.33	
10.20	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	
10.21	Offer Letter from Equinix, Inc. to Sara Baack dated July 31, 2012.	10-Q	3/31/13	10.42	
10.22	Restricted Stock Unit Agreement for Sara Baack under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	3/31/13	10.43	
10.23	Change in Control Severance Agreement by and between Sara Baack and Equinix, Inc. dated July 31, 2012.	10-Q	3/31/13	10.44	
10.24	Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/13	10.46	
10.25	Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/13	10.47	
10.26	International Long-Term Assignment Letter by and between Equinix, Inc. and Eric Schwartz, dated May 21, 2013.	10-Q	6/30/13	10.51	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.27	Employment Agreement by and between Equinix (EMEA) B.V. and Eric Schwartz, dated as of August 7, 2013.	10-Q	9/30/13	10.54	
10.28	Restricted Stock Unit Agreement dated August 14, 2013 for Charles Meyers under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	9/30/13	10.55	
10.29	Offer Letter from Equinix, Inc. to Karl Strohmeyer dated October 28, 2013.	10-Q	3/31/14	10.49	
10.30	Restricted Stock Unit Agreement for Karl Strohmeyer under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	3/31/14	10.50	
10.31	Change in Control Severance Agreement by and between Karl Strohmeyer and Equinix, Inc. dated December 2, 2013.	10-Q	3/31/14	10.51	
10.32	2014 Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/14	10.52	
10.33	2014 Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/14	10.53	
10.34	2014 Form of TSR Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/14	10.54	
10.35	2014 Form of TSR Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/14	10.55	
10.36	Lease between Digital 1350 Duane, LLC and Equinix LLC, dated March 27, 2014.	10-Q	3/31/14	10.56	

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Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.37	Amendment Agreement dated as of May 2, 2014, between Equinix, Inc. and Goldman, Sachs & Co., amending and restating the Master Terms and Conditions for Capped Call Transactions between Equinix, Inc. and Goldman, Sachs & Co. and amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.54	
10.38	Amendment Agreement dated as of May 2, 2014, between Equinix, Inc. and Deutsche Bank AG, London Branch, amending and restating the Master Terms and Conditions for Capped Call Transactions between Equinix, Inc. and Deutsche Bank AG, London Branch and amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.55	
10.39	Amendment Agreement dated as of May 2, 2014, between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch, amending and restating the Master Terms and Conditions for Capped Call Transactions between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch and amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.56	
10.40	Amendment Agreement, dated as of May 13, 2014, between Equinix, Inc. and Goldman, Sachs & Co., amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.57	

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Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.41	Amendment Agreement dated as of May 13, 2014, between Equinix, Inc. and Deutsche Bank AG, London Branch, amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.58	
10.42	Amendment Agreement dated as of May 13, 2014, between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch, amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.59	
10.43	Amendment Agreement, dated as of June 6, 2014, between Equinix, Inc. and Goldman, Sachs & Co., amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.6	
10.44	Amendment Agreement dated as of June 6, 2014, between Equinix, Inc. and Deutsche Bank AG, London Branch, amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.61	
10.45	Amendment Agreement dated as of June 6, 2014, between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch, amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.62	

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Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.46	Agreement for Purchase and Sale of Shares Among RW Brasil Fundo de Investimentos em Participação, Antônio Eduardo Zago De Carvalho and Sidney Victor da Costa Breyer, as Sellers, and Equinix Brasil Participaçãoes Ltda., as Purchaser, and Equinix South America Holdings LLC., as a Party for Limited Purposes and ALOG Soluções de Tecnologia em Informática S.A. as Intervening Consenting Party dated July 18, 2014	10-Q	9/30/14	10.67	
10.47	Credit Agreement, by and among Equinix, Inc., as borrower, Equinix LLC and Switch & Data LLC as guarantors, the Lenders (defined therein), Bank of America, N.A., as administrative agent, a Lender and L/C issuer, JPMorgan Chase Bank, N.A., and TD Securities (USA) LLC, as co-syndication agents, Barclays Bank PLC, Citibank, N.A., Royal Bank of Canada and ING Bank N.V., Singapore Branch, as Co-Documentation Agents and Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and TD Securities (USA) LLC, as joint lead arrangers and book runners, dated December 17, 2014.	10-K	12/31/14	10.48	
10.48	Equinix, Inc. 2015 Incentive Plan.	10-Q	3/31/15	10.49	
10.49	2015 Form of Revenue/AFFO Restricted Stock Unit Agreement for executives.	10-Q	3/31/15	10.50	
10.50	2015 Form of TSR Restricted Stock Unit Agreement for executives.	10-Q	3/31/15	10.51	

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Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.51	2015 Form of Time-Based Restricted Stock Unit Agreement for executives.	10-Q	3/31/15	10.52	
10.52	First Amendment to Credit Agreement and first Amendment to Pledge and Security Agreement by and among Equinix, Inc., as borrower, the Guarantors (defined therein), the Lenders (defined therein) and Bank of America, N.A., as administrative agent, dated April 30, 2015.				X
10.53	Bridge Credit Agreement dated as of May 28, 2015 among Equinix, Inc. as Borrower, Various Financial Institutions as Lenders, and JPMorgan Chase Bank, N.A., as Administrative Agent. JPMorgan Securities LLC as sole Arranger and Bookrunner.	10-Q	6/30/15	10.53	
10.54	First Amendment to the Bridge Credit Agreement Dated as of May 28, 2015 as Amended on June 19, 2015 among Equinix, Inc., as Borrower, Various Financial Institutions as Lenders, and JP Morgan Chase Bank, N.A. as Administrative Agent. JPMorgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, CityGroup Global Markets Inc. and RBC Capital Markets, LLC as Lead Arrangers and Bookrunners and TD Securities (USA) LLC, ING Bank N.V., HSBC Securities (USA) Inc. and The Bank of Tokyo-Mitsubishi UFJ, LTD as Co-Managers	10-Q	6/30/15	10.54	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.55	Term Loan Agreement dated as of September 30, 2015 among QAON G.K. and certain other direct and indirect subsidiaries of Equinix, Inc., as Borrowers, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as Arranger and Lender.				X
10.56	First Amendment to Term Loan Agreement dated September 30, 2015 as amended October 26, 2015 and executed by and between QAON G.K., and certain other direct and indirect subsidiaries of Equinix, Inc., as Borrowers, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. As Arranger Lender.				X
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
101.LAB	XBRL Taxonomy Extension Labels Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Document.				X

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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: October 30, 2015

By: /s/ KEITH D. TAYLOR
Chief Financial Officer
(Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

Exhibit Number	Description of Document
10.52	First Amendment to Credit Agreement and first Amendment to Pledge and Security Agreement by and among Equinix, Inc., as borrower, the Guarantors (defined therein), the Lenders (defined therein) and Bank of America, N.A., as administrative agent, dated April 30, 2015.
10.55	Term Loan Agreement dated as of September 30, 2015 among QAON G.K. and certain other direct and indirect subsidiaries of Equinix, Inc., as Borrowers, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as Arranger and Lender.
10.56	First Amendment to Term Loan Agreement dated September 30, 2015 as amended October 26, 2015 and executed by and between QAON G.K., and certain other direct and indirect subsidiaries of Equinix, Inc., as Borrowers, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. As Arranger Lender.
21.1	Subsidiaries of Equinix, Inc.
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Document.
101.DEF	XBRL Taxonomy Extension Definition Document.
101.LAB	XBRL Taxonomy Extension Labels Document.
101.PRE	XBRL Taxonomy Extension Presentation Document.

Exhibit 10.52
Execution Version

FIRST AMENDMENT TO CREDIT AGREEMENT AND
FIRST AMENDMENT TO PLEDGE AND SECURITY AGREEMENT

This **FIRST AMENDMENT TO CREDIT AGREEMENT AND FIRST AMENDMENT TO PLEDGE AND SECURITY AGREEMENT**, dated as of April 30, 2015 (this "Amendment"), is entered into by and among **EQUINIX, INC.**, a Delaware corporation ("Equinix" or the "Borrower"), the Guarantors, the Lenders, and **BANK OF AMERICA, N.A.**, as Administrative Agent. Capitalized terms not otherwise defined herein which are defined in the Credit Agreement referred to below shall have the same respective meanings herein as therein.

WHEREAS, the Borrower, the Guarantors, the Lenders, the Administrative Agent, and certain other parties thereto, are parties to that certain Credit Agreement, dated as of December 17, 2014 (as amended or otherwise modified and in effect from time to time, the "Credit Agreement"), pursuant to which the Lenders have agreed to make Loans and participate in Letters of Credit issued by the L/C Issuer, all upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower, the Lenders, and the Administrative Agent wish to amend certain provisions of the Credit Agreement, as specifically set forth in this Amendment and on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

§ 1. Amendments to the Credit Agreement. Subject to Section 3 below, and in reliance on the representations and warranties of the Loan Parties set forth herein, pursuant to Section 10.01 of the Credit Agreement:

(a) Section 1.01 of the Credit Agreement is hereby amended to add the following defined terms in the appropriate alphabetical order:

"CHF Term Borrowing" means a borrowing consisting of simultaneous CHF Term Loans of the same Type, in Swiss Francs, and having the same Interest Period made by each of the Term Lenders on the First Amendment Effective Date pursuant to Section 2.01(a)(ii). As of the First Amendment Effective Date, the aggregate principal amount of the CHF Term Borrowing is CHF 47,780,000.

"CHF Term Commitment" means, as to each Term Lender, its obligation to make a CHF Term Loan to the Borrower pursuant to Section 2.01(a)(ii) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender's name on Schedule 2.01 under the caption "CHF Term Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First

Amendment Effective Date, the aggregate amount of the CHF Term Commitments is the Alternative Currency Equivalent of $50,000,000 as determined by the Administrative Agent four (4) Business Days prior to the First Amendment Effective Date based on the 10:00 a.m. (New York time) offer rate supplied by WM/Reuters on such day.

"CHF Term Loan" has the meaning specified in Section 2.01(a)(ii).

"CHF Term Note" means a promissory note made by the Borrower in favor of a Term Lender evidencing the CHF Term Loan made by such Term Lender, substantially in the form of Exhibit C-1.

"Euro Term Borrowing" means a borrowing consisting of simultaneous Euro Term Loans of the same Type, in Euro, and having the same Interest Period made by each of the Term Lenders on the First Amendment Effective Date pursuant to Section 2.01(a)(iii). As of the First Amendment Effective Date, the aggregate principal amount of the Euro Term Borrowing is EUR 184,945,441.09.

"Euro Term Commitment" means, as to each Term Lender, its obligation to make a Euro Term Loan to the Borrower pursuant to Section 2.01(a)(iii) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender's name on Schedule 2.01 under the caption "Euro Term Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First Amendment Effective Date, the aggregate amount of the Euro Term Commitments is the Alternative Currency Equivalent of $200,000,000 as determined by the Administrative Agent four (4) Business Days prior to the First Amendment Effective Date based on the 10:00 a.m. (New York time) bid rate supplied by WM/Reuters on such day.

"Euro Term Loan" has the meaning specified in Section 2.01(a)(iii).

"Euro Term Note" means a promissory note made by the Borrower in favor of a Term Lender evidencing the Euro Term Loan made by such Term Lender, substantially in the form of Exhibit C-2.

"First Amendment" means the First Amendment to Credit Agreement, dated as of April 30, 2015 among the Borrower, the Guarantors, the Lenders and the Administrative Agent.

"First Amendment Effective Date" has the meaning specified in the First Amendment.

"Initial Term Loan" has the meaning specified in Section 2.01(a)(i).

"Sterling Term Borrowing" means a borrowing consisting of simultaneous Sterling Term Loans of the same Type, in Sterling, and having the same Interest Period made by each of the Term Lenders on the First Amendment Effective Date pursuant to

Section 2.01(a)(iv). As of the First Amendment Effective Date, the aggregate principal amount of the Sterling Term Borrowing is £ 92,586,469.15.

"Sterling Term Commitment" means, as to each Term Lender, its obligation to make a Sterling Term Loan to the Borrower pursuant to Section 2.01(a)(iv) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender's name on Schedule 2.01 under the caption "Sterling Term Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First Amendment Effective Date, the aggregate amount of the Sterling Term Commitments is the Alternative Currency Equivalent of $140,000,000 as determined by the Administrative Agent four (4) Business Days prior to the First Amendment Effective Date based on the 10:00 a.m. (New York time) bid rate supplied by WM/Reuters on such day.

"Sterling Term Loan" has the meaning specified in Section 2.01(a)(iv).

"Sterling Term Note" means a promissory note made by the Borrower in favor of a Term Lender evidencing the Sterling Term Loan made by such Term Lender, substantially in the form of Exhibit C-3.

"Yen Term Borrowing" means a borrowing consisting of simultaneous Yen Term Loans of the same Type, in Yen, and having the same Interest Period made by each of the Term Lenders on the First Amendment Effective Date pursuant to Section 2.01(a)(v). As of the First Amendment Effective Date, the aggregate principal amount of the Yen Term Borrowing is ¥ 11,924,000,000.

"Yen Term Commitment" means, as to each Term Lender, its obligation to make a Yen Term Loan to the Borrower pursuant to Section 2.01(a)(v) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender's name on Schedule 2.01 under the caption "Yen Term Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First Amendment Effective Date, the aggregate amount of the Yen Term Commitments is the Alternative Currency Equivalent of $100,000,000 as determined by the Administrative Agent four (4) Business Days prior to the First Amendment Effective Date based on the 10:00 a.m. (New York time) offer rate supplied by WM/Reuters on such day.

"Yen Term Loan" has the meaning specified in Section 2.01(a)(v).

"Yen Term Note" means a promissory note made by the Borrower in favor of a Term Lender evidencing the Yen Term Loan made by such Term Lender, substantially in the form of Exhibit C-4.

(b) The following defined terms, appearing in Section 1.01 of the Credit Agreement, are hereby amended and restated in their entirety to read as follows:

"Borrower Collateral Limit" means an amount equal to $750,000,000.

"Senior Notes Indentures" means, collectively, the Indentures (together with any Supplemental Indentures thereto) entered into by Equinix in connection with the 4.875% Senior Notes Due 2020, the 5.375% Senior Notes Due 2022, the 5.375% Senior Notes Due 2023, and the 5.750% Senior Notes Due 2025.

"Term Borrowing" means a CHF Term Borrowing, a Euro Term Borrowing, a Sterling Term Borrowing or a Yen Term Borrowing, as applicable.

"Term Commitments" means, collectively, the Euro Term Commitments, the Sterling Term Commitments, the Yen Term Commitments and the CHF Term Commitments.

"Term Facility" means, at any time, (a) on or prior to the First Amendment Effective Date, the aggregate amount of the Term Commitments at such time and (b) thereafter, the aggregate principal amount of the Term Loans of all Term Lenders outstanding at such time.

"Term Lender" means (a) at any time on or prior to the First Amendment Effective Date, any Lender that has a Term Commitment and/or holds Initial Term Loans at such time and (b) at any time after the First Amendment Effective Date, any Lender that holds Term Loans at such time.

"Term Loan" means a CHF Term Loan, a Euro Term Loan, a Sterling Term Loan or a Yen Term Loan, as applicable.

"Term Note" means a CHF Term Note, a Euro Term Note, a Sterling Term Note or a Yen Term Note, as applicable.

(c) Section 1.05 of the Credit Agreement is hereby amended by amending and restating clause (b) contained therein to read in its entirety as follows:

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Eurocurrency Rate Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a Commitment or a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Eurocurrency Rate Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the L/C Issuer, as the case may be.

(d) Section 2.01 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

(a) The Term Loans.

(i) Subject to the terms and conditions set forth herein, the Term Lenders made loans to the Borrower, in Dollars, on the Closing Date, in an aggregate amount equal to $500,000,000 (the "Initial Term Loan"). On the First Amendment Effective Date, the Initial Term Loan shall be repaid in full in accordance with the terms of the First Amendment. Upon the satisfaction of the conditions to effectiveness set forth in Section 3 of the First Amendment, the Term Commitments described in clauses (ii) through (v) below shall become effective.

(ii) Subject to the terms and conditions set forth herein and in Section 3 of the First Amendment, each Term Lender with a CHF Term Commitment severally agrees to make a single loan to the Borrower, in Swiss Francs, on the First Amendment Effective Date, in an aggregate amount not to exceed such Term Lender's Applicable Percentage of the aggregate amount of the Alternative Currency Equivalent of the CHF Term Commitments at such time (a "CHF Term Loan"). The CHF Term Borrowing shall consist of CHF Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentages of the Alternative Currency Equivalent of the aggregate amount of the CHF Term Commitments at such time. Amounts borrowed under this Section 2.01(a)(ii) and repaid or prepaid may not be reborrowed. All CHF Term Loans shall be Eurocurrency Rate Loans, as further provided herein.

(iii) Subject to the terms and conditions set forth herein and in Section 3 of the First Amendment, each Term Lender with a Euro Term Commitment severally agrees to make a single loan to the Borrower, in Euro, on the First Amendment Effective Date, in an aggregate amount not to exceed such Term Lender's Applicable Percentage of the aggregate amount of the Alternative Currency Equivalent of the Euro Term Commitments at such time (a "Euro Term Loan"). The Euro Term Borrowing shall consist of Euro Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentages of the Alternative Currency Equivalent of the aggregate amount of the Euro Term Commitments at such time. Amounts borrowed under this Section 2.01(a)(iii) and repaid or prepaid may not be reborrowed. All Euro Term Loans shall be Eurocurrency Rate Loans, as further provided herein.

(iv) Subject to the terms and conditions set forth herein and in Section 3 of the First Amendment, each Term Lender with a Sterling Term Commitment severally agrees to make a single loan to the Borrower, in Sterling, on the First Amendment Effective Date, in an aggregate amount not to exceed such Term Lender's Applicable Percentage of the aggregate amount of the Alternative Currency Equivalent of the Sterling Term Commitments at such time (a "Sterling Term Loan"). The Sterling Term Borrowing shall consist of Sterling Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentages of the aggregate amount of the Alternative Currency

Equivalent of the Sterling Term Commitments at such time. Amounts borrowed under this Section 2.01(a)(iv) and repaid or prepaid may not be reborrowed. All Sterling Term Loans shall be Eurocurrency Rate Loans, as further provided herein.

(v) Subject to the terms and conditions set forth herein and in Section 3 of the First Amendment, each Term Lender with a Yen Term Commitment severally agrees to make a single loan to the Borrower, in Yen, on the First Amendment Effective Date, in an aggregate amount not to exceed such Term Lender's Applicable Percentage of the aggregate amount of the Alternative Currency Equivalent of the Yen Term Commitments at such time (a "Yen Term Loan"). The Yen Term Borrowing shall consist of Yen Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentages of the aggregate amount of the Alternative Currency Equivalent of the aggregate amount of the Yen Term Commitments at such time. Amounts borrowed under this Section 2.01(a)(v) and repaid or prepaid may not be reborrowed. All Yen Term Loans shall be Eurocurrency Rate Loans, as further provided herein.

For the avoidance of doubt, the Term Commitments do not constitute an increase in the Aggregate Commitments for purposes ofSection 2.13.

(b) The Revolving Borrowings. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make revolving loans (each such loan, a "Revolving Loan") to the Borrower in Dollars or in one or more Alternative Currencies from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Revolving Borrowing, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations shall not exceed such Lender's Commitment. Within the limits of each Revolving Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(b), prepay under Section 2.04, and reborrow under this Section 2.01(b). Revolving Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided herein.

(e) Section 2.02(a) of the Credit Agreement is hereby amended by deleting the following parenthetical contained at the end of the sixth sentence thereof: "(it being understood that Term Loans will be borrowed in Dollars)".

(f) Section 2.02(c) of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

(c) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurocurrency

Rate Loan. During the existence of a Default, no Loans may be requested as, or (i) in the case of Loans in Dollars, converted to or continued as Eurocurrency Rate Loans without the consent of the Required Lenders or (ii) in the case of Loans in Alternative Currencies, converted or continued as Eurocurrency Rate Loans with an Interest Period of more than one month if the Required Lenders so notify the Borrower. During the existence of a Default, any Loans that are continued or converted to Eurocurrency Rate Loans as provided in this clause (c), unless the Required Lenders shall otherwise consent, shall have a one month Interest Period.

(g) Section 2.03(a)(i) of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars or in one or more Alternative Currencies for the account of the Borrower or its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.03(b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (x) the Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, shall not exceed such Lender's Revolving Commitment, and (y) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(h) Section 2.04(c) of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

(c) Mandatory Prepayments. If for any reason the Total Revolving Outstandings at any time exceeds the Aggregate Revolving Commitments then in effect, the Borrower shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this

Section 2.04(c)(i) unless after the prepayment in full of the Revolving Loans the Total Revolving Outstandings exceeds the Aggregate Revolving Commitments then in effect.

(i) Section 2.06(b) of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

(b) The Borrower shall repay the Term Loans in equal quarterly installments, on the last Business Day of each March, June, September and December (commencing on the last Business Day of June, 2015), each such installment in the amount of 2.00% of the result of (i) the respective Term Borrowing on the First Amendment Effective Date divided by (ii) 0.98. The Borrower shall repay to the Term Lenders on the Maturity Date the remaining principal amount of Term Loans outstanding on such date.

(j) Section 2.11(a) of the Credit Agreement is hereby amended by amending and restating the second sentence thereof in its entirety to read as follows:

Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in the currency in which such Loan was made and in Same Day Funds not later than 2:00 p.m. on the date specified herein.

(k) Section 3.03 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

3.03. Inability to Determine Rates.

(a) If in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof, (i) the Administrative Agent determines that (x) deposits (whether in Dollars or an Alternative Currency) are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurocurrency Rate Loan, or (y) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan (whether denominated in Dollars or an Alternative Currency) or in connection with an existing or proposed Eurocurrency Rate Loan or the Eurocurrency Rate component of the Base Rate, or (ii) the Required Lenders determine that for any reason the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan or any conversion or continuation thereof does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (A) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected currency or currencies shall be suspended (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (B) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate component of the Base Rate, the utilization of the Eurocurrency Rate component in determining the Base Rate shall be suspended, in each case until the Administrative

Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (1) in the case of Revolving Loans denominated in Dollars, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein, and (2) in the event an alternative rate cannot be determined in accordance with paragraph (b) below, in the case of Revolving Loans denominated in an Alternative Currency, CHF Term Loans, Euro Term Loans, Sterling Term Loans or Yen Term Loans, prepay such Loans at the end of the then current Interest Period for such Loans. Upon any such prepayment or conversion, as the case may be, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

(b) Notwithstanding the foregoing, in the case of a request for or conversion or continuation of a Eurocurrency Rate Loan in an Alternative Currency as to which the Administrative Agent or the Required Lenders, as applicable, have made the determination described in clause (a) above (in each case, for the avoidance of doubt, after applying any comparable or successor rate to LIBOR (or other relevant Eurocurrency Rate), if applicable, in accordance with the definition of "Eurocurrency Rate"), (i) the Borrower shall be deemed to have requested a Eurocurrency Rate Loan or conversion or continuation, as applicable, in such Alternative Currency (the "Impacted Loans") with the next shortest Interest Period available as to which no such determination under clause (a) above would be made, and (ii) (x) if no such Interest Period is available, the Administrative Agent and the Borrower, with the agreement of the Lenders, may establish an alternative interest rate that reflects the all-in-cost of funds to the Administrative Agent and the Lenders for funding Loans in the applicable currency and amount, and with the same Interest Period as the Impacted Loans, and (y) if the Administrative Agent, the Borrower and the Lenders are unable to agree on such an alternative rate of interest, the Administrative Agent, with the consent of the Lenders, may establish an alternative interest rate that reflects the all-in-cost of funds to the Administrative Agent and the Lenders for funding Loans in the applicable currency and amount, and with the same Interest Period as the Impacted Loans. Such alternative rate of interest as determined in accordance with clause (ii) above shall apply with respect to the Impacted Loans until (A) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) above, (B) the Required Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans (in which case the Required Lenders shall determine an appropriate alternative rate of interest in accordance with clause (ii)(y) above), or (C) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof, and in the case of subclause (C), the Impacted Loans shall be repaid as provided in paragraph (a) above.

(l) Schedule 2.01 to the Credit Agreement (Commitments and Applicable Percentages) is hereby amended and restated in its entirety in the form set forth in the corresponding Schedule attached as Exhibit A hereto.

(m) Exhibit A to the Credit Agreement (Form of Loan Notice) is hereby amended and restated in its entirety in the form set forth in the Exhibit A attached as Exhibit B hereto.

(n) Exhibit C to the Credit Agreement (Form of Term Note) is hereby amended and restated in its entirety in the forms set forth in the Exhibits C-1 through C-4 attached as Exhibit C hereto.

§ 2. Amendments to Pledge and Security Agreement. Subject to Section 3 below, and in reliance on the representations and warranties of the Loan Parties set forth herein, pursuant to Section 10.01 of the Credit Agreement:

(a) Section 1(c) of the Pledge and Security Agreement is hereby amended by deleting the parenthetical "(or, in the case of EQIX (Global Holdings) C.V., 65%)" contained in clause (b) of the definition of "Pledged Equity".

(b) Schedule II to the Pledge and Security Agreement (Pledged Equity of Pledged Foreign Subsidiaries) is hereby amended and restated in its entirety in the form set forth in the corresponding Schedule attached as Exhibit D hereto.

§ 3. Conditions to Effectiveness. This Amendment shall become effective as of the date hereof (the "First Amendment Effective Date") upon the satisfaction of each of the following conditions, in each case in a manner satisfactory in form and substance to the Administrative Agent:

(a) This Amendment shall have been duly executed and delivered by the Borrower, the other Loan Parties, the Lenders and the Administrative Agent;

(b) The Administrative Agent shall have received Term Notes executed by the Borrower in favor of each Lender requesting Term Notes;

(c) The Administrative Agent shall have received a certificate from a Responsible Officer of each of the Loan Parties (i) attesting to the resolutions of such Person's Board of Directors (or equivalent) and, if necessary, shareholders (or equivalent) of such Person, authorizing its execution, delivery, and performance of this Amendment and any other Loan Documents referenced herein to which such Person is to become a party, (ii) authorizing specific officers of such Person to execute the same, (iii) attesting to the incumbency and signatures of such specific officers of such Person and (iv) certifying as true, correct and complete, copies of such Person's Organization Documents, as amended, modified, or supplemented to the date hereof (or, alternatively, if certified Organization Documents had been previously delivered to the Administrative Agent, then a certification from such Person that there have been no changes or other modifications to such Organization Documents since the date previously delivered to the Administrative Agent);

(d) The Administrative Agent shall have received from the Borrower a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) of the Credit Agreement have been satisfied; and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(e) The Administrative Agent shall have received a favorable opinion of Orrick, Herrington & Sutcliffe LLP, counsel to the Loan Parties, addressed to the Administrative Agent and each Lender and in form and substance satisfactory to the Administrative Agent;

(f) The Administrative Agent shall have received a Request for Credit Extension (or telephonic notice followed immediately by delivery of a written Loan Notice) in accordance with the requirements hereof;

(g) The Administrative Agent shall have received from the Borrower an irrevocable notice of prepayment of the Initial Term Loans in full in cash on the First Amendment Effective Date;

(h) There shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Administrative Agent or the Required Lenders would make it impracticable for the Term Loans to be denominated in Swiss Francs, Euro, Sterling or Yen;

(i) The Borrower shall have paid all reasonable fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to the date hereof, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings of this Amendment (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent);

(j) There shall not have occurred a Material Adverse Effect since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(k) No Default or Event of Default shall exist, or would result from the making of the Term Loans on the First Amendment Effective Date or from the application of the proceeds thereof;

(l) The representations and warranties contained herein shall be true and correct as of the date hereof; and

(m) Delivery of such other items, documents, agreements and/or actions (including financial projections, other financial information and certifications) as the Administrative Agent may reasonably request in order to effectuate the transactions contemplated hereby.

§ 4. <u>Representations and Warranties; No Default</u>. Each of the Loan Parties hereby repeats, on and as of the date hereof, each of the representations and warranties made by it in the Credit Agreement and each other Loan Document (except to the extent of changes resulting from transactions contemplated or permitted by this Amendment, the Credit Agreement and the other Loan Documents, and to the extent that such representations and warranties relate expressly to an earlier date), <u>provided</u> that all references therein to the Credit Agreement or to the Pledge and Security Agreement shall refer to the Credit Agreement or to the Pledge and Security Agreement, as applicable, as amended hereby. In addition, each of the Loan Parties hereby represents and warrants that the execution and delivery by such Person of this Amendment and the performance by such Person of all of its agreements and obligations under the Credit Agreement and under the Pledge and Security Agreement as amended hereby are within the corporate or other organizational authority of such Person and have been duly authorized by all necessary corporate or other organizational action on the part of such Person. The execution and delivery of this Amendment will result in valid and legally binding obligations of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. Each of the Loan Parties hereby further represents and warrants that no Default or Event of Default has occurred and is continuing.

§ 5. <u>Ratification, etc</u>. Except as expressly amended or otherwise modified hereby, the Credit Agreement (including the Multiparty Guaranty), the Pledge and Security Agreement, and all documents, instruments and agreements related thereto, including, but not limited to the other Loan Documents, are hereby ratified and confirmed in all respects and shall continue in full force and effect. No amendment, consent or waiver herein granted or agreement herein made shall extend beyond the terms expressly set forth herein for such amendment, consent, waiver or agreement, as the case may be, nor shall anything contained herein be deemed to imply any willingness of the Administrative Agent or the Lenders to agree to, or otherwise prejudice any rights of the Administrative Agent or the Lenders with respect to, any similar amendments, consents, waivers or agreements that may be requested for any future period, and this Amendment shall not be construed as a waiver of any other provision of the Loan Documents or to permit the Borrower or any other Loan Party to take any other action which is prohibited by the terms of the Credit Agreement and the other Loan Documents. The Credit Agreement and this Amendment shall be read and construed as a single agreement. The Pledge and Security Agreement and this Amendment shall be read and construed as a single agreement. All references in the Credit Agreement or to the Pledge and Security Agreement, or any related agreement or instrument to the Credit Agreement or to the Pledge and Security Agreement shall hereafter refer to the Credit Agreement or to the Pledge and Security Agreement, as applicable, as amended hereby. This Amendment shall constitute a Loan Document. Each Loan Party hereby ratifies and reaffirms the validity and enforceability of all of the Liens and security interests heretofore granted and pledged by such Loan Party pursuant to the Loan Documents to the Administrative Agent, on behalf and for the benefit of the Secured Parties, as collateral security for the Secured Obligations, and acknowledges that all of such Liens and security interests, and all Collateral heretofore granted, pledged or otherwise created as security for the Secured Obligations continue to be and remain collateral security for the Secured Obligations from and after the date hereof. Each of the Guarantors party to the Multiparty Guaranty hereby acknowledges and consents to this Amendment and agrees that the Multiparty Guaranty and all other Loan Documents to which each of the Guarantors are a party remain in full force and effect, and each of the Guarantors confirms and ratifies all of its Secured Obligations thereunder.

§ 6. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic imaging means shall be effective as delivery of an original executed counterpart of this Amendment.

§ 7. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

BORROWER:

EQUINIX, INC.

By: /s/ Keith D. Taylor
Name: Keith D. Taylor
Title: Chief Financial Officer

GUARANTORS:

EQUINIX LLC

By: /s/ Keith D. Taylor
Name: Keith D. Taylor
Title: Chief Financial Officer

SWITCH & DATA LLC

By: /s/ Keith D. Taylor
Name: Keith D. Taylor
Title: Chief Financial Officer

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Angela Larkin
Name: Angela Larkin
Title: Assistant Vice President

BANK OF AMERICA, N.A.,
as a Lender and L/C Issuer

By: /s/ Spencer Hopping
Name: Spencer Hopping
Title: Vice President

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ Bruce S. Borden
Name: Bruce S. Borden
Title: Executive Director

TORONTO DOMINION (TEXAS) LLC,
as a Lender

By: /s/ Masood Fikree
Name: Masood Fikree
Title: Authorized Signatory

BARCLAYS BANK PLC, as a Lender

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Vice President

CITIBANK, N.A., as a Lender

By: /s/ Stuart Darby
Name: Stuart Darby
Title: Senior Vice President

ING BANK N.V., SINGAPORE BRANCH,
as a Lender

By: /s/ Ranesh Verma
Name: Ranesh Verma
Title: Head of Structured Finance, TMT Asia

By: /s/ Krishna Suryanarayanan
Name: Krishna Suryanarayanan
Title: Managing Director

ROYAL BANK OF CANADA, as a Lender

By: /s/ Scott Johnson
Name: Scott Johnson
Title: Authorized Signatory

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Jamie Minieri
Name: Jamie Minieri
Title: Authorized Signatory

HSBC BANK U.S.A., NA, as a Lender

By: /s/ Christian Sumulong
Name: Christian Sumulong
Title: Vice President

MUFG UNION BANK, N.A.,
as a Lender

By: /s/ Derek Becker
Name: Derek Becker
Title: Vice President

U.S. BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Lukas Coleman
Name: Lukas Coleman
Title: Vice President

Exhibit A

Schedule 2.01

(See Attached)

SCHEDULE 2.01

COMMITMENTS AND APPLICABLE PERCENTAGES

Lender	Revolving Commitment ($)	Applicable Percentage of Revolving Commitments (%)	CHF Term Commitment (CHF)	Applicable Percentage of CHF Term Commitments (%)	Euro Term Commitment (EUR)	Applicable Percentage of Euro Term Commitments (%)	Sterling Term Commitment (£)	Applicable Percentage of Sterling Term Commitments (%)	Yen Term Commitment (¥)	Applicable Percentage of Yen Term Commitments (%)
Bank of America, N.A.	$ 133,333,333.33	13.333333333%	CHF 6,370,666.67	13.333333333%	EUR 24,659,392.14	13.333333333%	£12,344,862.53	13.333333308%	¥ 1,589,866,666.67	13.333333333%
JPMorgan Chase Bank, N.A.	$ 133,333,333.33	13.333333333%	CHF 6,370,666.67	13.333333333%	EUR 24,659,392.14	13.333333333%	£12,344,862.55	13.333333330%	¥ 1,589,866,666.67	13.333333333%
Toronto Dominion (Texas) LLC	$ 133,333,333.34	13.333333334%	CHF 6,370,666.67	13.333333333%	EUR 24,659,392.14	13.333333333%	£12,344,862.55	13.333333330%	¥ 1,589,866,666.66	13.333333333%
Barclays Bank PLC	$ 100,000,000.00	10.000000000%	CHF 4,778,000.00	10.000000000%	EUR 18,494,544.11	10.000000000%	£ 9,258,646.92	10.000000005%	¥ 1,192,400,000.00	10.000000000%
Citibank, N.A.	$ 100,000,000.00	10.000000000%	CHF 4,778,000.00	10.000000000%	EUR 18,494,544.11	10.000000000%	£ 9,258,646.92	10.000000005%	¥ 1,192,400,000.00	10.000000000%
ING Bank N.V., Singapore Branch	$ 100,000,000.00	10.000000000%	CHF 4,778,000.00	10.000000000%	EUR 18,494,544.11	10.000000000%	£ 9,258,646.92	10.000000005%	¥ 1,192,400,000.00	10.000000000%
Royal Bank of Canada	$ 100,000,000.00	10.000000000%	CHF 4,778,000.00	10.000000000%	EUR 18,494,544.11	10.000000000%	£ 9,258,646.92	10.000000005%	¥ 1,192,400,000.00	10.000000000%
Goldman Sachs Bank USA	$ 50,000,000.00	5.000000000%	CHF 2,389,000.00	5.000000000%	EUR 9,247,272.05	5.000000000%	£ 4,629,323.46	5.000000003%	¥ 596,200,000.00	5.000000000%
HSBC Bank USA, NA	$ 50,000,000.00	5.000000000%	CHF 2,389,000.00	5.000000000%	EUR 9,247,272.05	5.000000000%	£ 4,629,323.46	5.000000003%	¥ 596,200,000.00	5.000000000%
MUFG Union Bank, N.A.	$ 50,000,000.00	5.000000000%	CHF 2,389,000.00	5.000000000%	EUR 9,247,272.05	5.000000000%	£ 4,629,323.46	5.000000003%	¥ 596,200,000.00	5.000000000%
U.S. Bank National Association	$ 50,000,000.00	5.000000000%	CHF 2,389,000.00	5.000000000%	EUR 9,247,272.05	5.000000000%	£ 4,629,323.46	5.000000003%	¥ 596,200,000.00	5.000000000%
Total	**$1,000,000,000.00**	**100.000000000**	**CHF 47,780,000.00**	**100.000000000%**	**EUR 184,945,441.09**	**100.000000000%**	**£92,586,469.15**	**100.000000000%**	**¥11,924,000,000.00**	**100.000000000%**

Exhibit B

Exhibit A

(See Attached)

EXHIBIT A

FORM OF LOAN NOTICE

Date:__________, ______

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of December 17, 2014 and as amended by that certain First Amendment to Credit Agreement and First Amendment to Pledge and Security Agreement, dated as of April 30, 2015 (as amended and as it may be further amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Equinix, Inc., as borrower (the "Borrower"), the Guarantors from time to time party thereto, the Lenders and other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The undersigned hereby requests (select one):

☐ A Borrowing of [Revolving][CHF Term][Euro Term][Sterling Term][Yen Term] Loans

☐ A [conversion] or [continuation] of [Revolving][CHF Term][Euro Term][Sterling Term][Yen Term] Loans

1. On________ (a Business Day) (the "Borrowing Date").
2. In the amount of [$______] [the Alternative Currency Equivalent of $______as determined by the Administrative Agent four (4) Business Days prior to the Borrowing Date based on the 10:00 a.m. New York time [offer][bid] rate supplied by WM/Reuters on such date].
3. Comprised of__________.

   [Type of Loan requested]
4. In the following currency:__________.
5. For Eurocurrency Rate Loans: with an Interest Period of months.

The [Revolving][CHF Term][Euro Term][Sterling Term][Yen Term] Borrowing, if any, requested herein complies with Sections 2.01 and 2.02 of the Agreement.

[Signature page follows.]

EQUINIX, INC.,
as Borrower

By: ______________________________
Name:
Title:

Exhibit C

Exhibits C-1 through C-4

(See Attached)

EXHIBIT C-1

FORM OF CHF TERM NOTE

CHF[ ] [ ], 20

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of the CHF Term Loan made by the Lender to the Borrower under that certain Credit Agreement, dated as of December 17, 2014 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors from time to time party thereto, the Lenders and other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The Borrower promises to pay interest on the unpaid principal amount of the CHF Term Loan made by the Lender from the date of such CHF Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Swiss Francs in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This CHF Term Note is one of the Term Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This CHF Term Note is also entitled to the benefits of the Multiparty Guaranty and the Collateral Documents. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this CHF Term Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The CHF Term Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this CHF Term Note and endorse thereon the date, amount and maturity of its CHF Term Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this CHF Term Note.

[Signatures follow]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

EQUINIX, INC.

By: ______________________________
Name:
Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

EXHIBIT C-2

FORM OF EURO TERM NOTE

EUR[ ] [ ], 20

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of the Euro Term Loan made by the Lender to the Borrower under that certain Credit Agreement, dated as of December 17, 2014 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors from time to time party thereto, the Lenders and other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The Borrower promises to pay interest on the unpaid principal amount of the Euro Term Loan made by the Lender from the date of such Euro Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Euro in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Euro Term Note is one of the Term Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Euro Term Note is also entitled to the benefits of the Multiparty Guaranty and the Collateral Documents. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Euro Term Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Euro Term Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Euro Term Note and endorse thereon the date, amount and maturity of its Euro Term Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Euro Term Note.

[Signatures follow]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

EQUINIX, INC.

By: ________________________________
Name:
Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

EXHIBIT C-3

FORM OF STERLING TERM NOTE

£ [ ] [ ], 20

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of the Sterling Term Loan made by the Lender to the Borrower under that certain Credit Agreement, dated as of December 17, 2014 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors from time to time party thereto, the Lenders and other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The Borrower promises to pay interest on the unpaid principal amount of the Sterling Term Loan made by the Lender from the date of such Sterling Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Sterling in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Sterling Term Note is one of the Term Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Sterling Term Note is also entitled to the benefits of the Multiparty Guaranty and the Collateral Documents. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Sterling Term Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Sterling Term Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Sterling Term Note and endorse thereon the date, amount and maturity of its Sterling Term Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Sterling Term Note.

[Signatures follow]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

EQUINIX, INC.

By: ________________________________
Name:
Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

EXHIBIT C-4

FORM OF YEN TERM NOTE

¥ [ ] [ ], 20

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of the Yen Term Loan made by the Lender to the Borrower under that certain Credit Agreement, dated as of December 17, 2014 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors from time to time party thereto, the Lenders and other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The Borrower promises to pay interest on the unpaid principal amount of the Yen Term Loan made by the Lender from the date of such Yen Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Yen in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Yen Term Note is one of the Term Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Yen Term Note is also entitled to the benefits of the Multiparty Guaranty and the Collateral Documents. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Yen Term Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Yen Term Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Yen Term Note and endorse thereon the date, amount and maturity of its Yen Term Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Yen Term Note.

[Signatures follow]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

EQUINIX, INC.

By: ______________________________
Name:
Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

Exhibit D

SCHEDULE II TO PLEDGE AND SECURITY AGREEMENT

**PLEDGED EQUITY
OF
PLEDGED FOREIGN SUBSIDIARIES**

Grantor	Pledged Foreign Subsidiary	Class	Certificate Number	Number of Pledged Shares, Units, Interests	Percentage Ownership Represented By Pledged Shares
Equinix, Inc.	Equinix Pacific LLC	Units	N/A	66	66%
Equinix, Inc.	Equinix South America Holdings, LLC	Limited Liability Company Interests	N/A	N/A	66%
Equinix, Inc.	EQIX (Global Holdings) C.V.	Partnership Interests	N/A	66% of the partnership interests of Equinix, Inc. in EQIX (Global Holdings) C.V.	66% (66 votes) (voting)
Equinix, Inc.	Equinix Canada Ltd.	Common	C-6	10,282,123	66% (voting)

TERM LOAN AGREEMENT

(JPY 47,500,000,000)

Borrowers:	QAON G.K. Equinix Japan K.K. Equinix (Japan) Enterprises K.K. EJAE2 G.K.
Arranger:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Lender:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
	September 30, 2015

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TERM LOAN AGREEMENT

QAON G.K., Equinix Japan K.K., Equinix (Japan) Enterprises K.K. and EJAE2 G.K. (hereinafter respectively referred to as a "**Borrower**" and collectively as "**All Borrowers**"), The Bank of Tokyo-Mitsubishi UFJ, Ltd., in its capacity as arranger (hereinafter referred to as the "**Arranger**"), and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (hereinafter referred to as the "**Lender**"), hereby agree, as follows, as of September 30, 2015 (hereinafter referred to as this "**Agreement**").

1. DEFINITIONS

In this Agreement, each of the following terms shall have the meanings set forth below, unless it is apparent that such terms mean otherwise in the context hereof.

1. "**Acquisition**" means the Tender Offer and the Squeeze Out Procedures, collectively.

2. "**Antisocial Acts**" means:

   (i) violent demand;

   (ii) unfair demand exceeding legal liabilities;

   (iii) menacing or violent acts with respect to transactions;

   (iv) acts to impair the credit of the Lender by spreading rumors or using deceptive scheme or force, or obstruct the business of the Lender; or

   (v) other acts similar to those specified in Sub-items (i) through (iv) above.

3. "**Antisocial Force Related Party**" means:

   (i) being a *Boryokudan* (meaning an organization which is likely to encourage its members (including the members of its member organization) to commit violent illegal activities, etc. as a group or on a regular basis; the same shall apply hereinafter in this Item 3);

   (ii) being a *Boryokudan* Member (meaning a member of *Boryokudan*; the same shall apply hereinafter in this Item 3);

   (iii) having ceased to be a *Boryokudan* Member within five (5) years;

   (vi) being a *Boryokudan* Associate Member (meaning a person having a relationship with a *Boryokudan*, other than the *Boryokudan* Member, who is likely to commit violent illegal activities, etc. backed by the force of *Boryokudan*, or who cooperates with or engages in the maintenance or operation of a *Boryokudan* by supplying the *Boryokudan* or *Boryokudan* Members with funds, weapons, etc.; the same shall apply hereinafter in this Item 3);

   (v) being a *Boryokudan*-related company (meaning a company with respect to which a *Boryokudan* Member is substantially involved in the management, a company managed by a *Boryokudan* Associate Member or former

Boryokudan Member which actively cooperates with or engages in the maintenance or operation of a *Boryokudan* by supplying funds, etc., or a company which cooperates with the maintenance or operation of a *Boryokudan* by actively utilizing it in operating business);

(vi) being a *sokaiya*, etc. (meaning a *sokaiya* (a professional troublemaker at stockholders' meetings), *kaisha goro* (a corporate racketeer) or other person who is likely to commit violent illegal activities, etc. to obtain unfair profits from the corporations, etc. and thereby threaten safe civic life);

(vii) being a *shakai undo to hyobo goro* (meaning a person who is likely to commit violent illegal activities, etc. to obtain unfair profit by pretending or advocating social or political movement and thereby threaten safe civic life);

(viii) being a *tokushu chino boryoku shudan*, etc. (meaning a group or person, other than those specified in Sub-items (i) through (vii) above, who plays a core role in structural unfairness by utilizing the force of a *Boryokudan* backed by the relationship, or by having a financial connection with a *Boryokudan*);

(ix) being any other person similar to those specified in Sub-items (i) through (viii) above;

(x) having a relationship with any person specified in Sub-items (i) through (ix) above (hereinafter referred to as the "***Boryokudan*** **Member, etc.**" in this Item 3); so that its management is deemed to be controlled by such *Boryokudan* Member, etc.;

(xi) having a relationship with any *Boryokudan* Member, etc. so that such *Boryokudan* Member, etc. is deemed to be substantially involved in its management;

(xii) having a relationship with any *Boryokudan* Member, etc. so that it is deemed to improperly utilize such *Boryokudan* Member, etc. for the purpose of seeking an illicit profit for itself or any third party or giving damage to any third party;

(xiii) having a relationship with any *Boryokudan* Member, etc. so that it is deemed to supply funds, etc. or provide favors to such *Boryokudan* Member, etc.; or

(xiv) having an officer or any person substantially involved in its management who has a socially reprehensive relationship with any Boryokudan Member, etc.

4. "**Applicable Interest Rate**" means the interest rate equal to the Base Rate plus the Spread.

5. "**Assignee**" means the person who receives the assignment of the Loan Receivables in accordance with Article 23.

6. "**Assignor**" means the person who assigns the Loan Receivables in accordance with Article 23.

7. "**Base Rate**" means the Japanese Yen TIBOR (Telerate page 17097 or its successor page) announced by the JBA TIBOR Administration at 11:00 a.m. or the closest point

in time after 11:00 a.m. on the day two (2) Business Days prior to the commencement date of an Interest Calculation Period, for the time period corresponding to the Interest Calculation Period; provided, however, that if the interest rate for the time period corresponding to the Interest Calculation Period does not exist, the Base Rate means the higher of (i) the interest rate for the shortest period that exceeds the relevant time period or (ii) the interest rate for the longest period that does not exceed the relevant time period (if the relevant time period is less than one week, the interest rate for one week). Further, if for some reason such rate is not announced, an interest rate reasonably decided by the Lender will be the Base Rate.

8. "**Borrower Account**" means the ordinary deposit account (Account No. 0658234, Account Name: QAON G.K.) held by QAON at The Bank of Tokyo-Mitsubishi UFJ, Ltd., Toranomon Branch, or any account at the head office or any branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. opened and held by any Borrower and approved by the Lender.

9. "**Borrower's Officer**" means director (*torishimariyaku*) or executive officer (*shokumu shikkosha*) of each Borrower.

10. "**Break Funding Cost**" means, in the cases where the principal of a Loan is repaid or set off (including the cases where the guarantee obligations owed by any Guarantor with respect to the principal of a Loan is repaid or set off; the same shall apply hereinafter in this Item) on any day other than an Interest Payment Date, and where the Reinvestment Rate falls below the Base Rate for the Interest Calculation Period to which the date of such repayment or set-off belongs, the amount calculated as the principal amount with respect to which such repayment or set-off was made, multiplied by (i) the difference between the Reinvestment Rate and the Base Rate and (ii) the actual number of days of the Remaining Period; provided, however, that such amount shall be within the range not in violation of the Laws and Ordinances. "**Remaining Period**" means the period commencing on the day on which the repayment or set-off was made and ending on the next Interest Payment Date, and the "**Reinvestment Rate**" means the interest rate reasonably determined by the Lender as the interest rate to be applied on the assumption that the prepaid or set off principal amount will be reinvested in the Tokyo interbank market during the Remaining Period. Such Break Funding Cost shall be calculated on a day-to-day basis, inclusive of the first day and exclusive of the last day, and on the basis of a year of 365 days, wherein divisions shall be done at the end of the calculation, and fractions less than one yen (JPY 1) shall be rounded down.

11. "**Business Day**" means any day, except the days on which banks are closed pursuant to the Laws and Ordinances of Japan.

12. "**Damages**" means damages, losses or expenses (including reasonable attorneys' fees) within reasonable cause.

13. "**Drawdown**" means the First Loan Drawdown, the Second Loan Drawdown and the Third Loan Drawdown, respectively.

14. "**Drawdown Date**" means First Loan Drawdown Date, Second Loan Drawdown Date or Third Loan Drawdown Date, respectively.

15. "**Drawdown Period**" means the period commencing on the Business Day immediately preceding to the date on which the settlement of the Tender Offer

commences and ending on (i) March 31, 2016 or (ii) the day marking the passage of two (2) months from the day of completion of the Squeeze Out Procedures, whichever is earlier; provided, however, that in case the Borrower requests the extension of the Drawdown Period to the Lender, the Borrower and the Lender shall discuss such extension in good faith and the Drawdown Period may be extended upon consent of the Lender.

16. "**Due Date**" means (i) with respect to the principal in relation to a Loan, the Maturity Date, (ii) with respect to the interest thereon, each Interest Payment Date that is the last day of each Interest Calculation Period, and (iii) with respect to other amounts, the date set forth as the date on which payments shall be made in accordance with this Agreement provided that if any such date falls on a day other than a Business Day, the following Business Day shall be the relevant Due Date unless such following Business Day occurs in the next month, in which case the immediately preceding Business Day shall be the relevant Due Date.

17. "**Due Time**" means, if any Due Dates are set forth herein, 10:00 a.m., Tokyo time, on such Due Date.

18. "**EBITDA**" means operating profit after adding depreciation cost and depreciation of goodwill.

19. "**EDINET**" means the Electronic Disclosure for Investors' NETwork (electronic data processing system as prescribed in Article 27-30-2 of the Financial Instruments and Exchange Act of Japan).

20. "**EJAE2**" means EJAE2 G.K.

21. "**EJE**" means Equinix (Japan) Enterprises K.K.

22. "**EJKK**" means Equinix Japan K.K.

23. "**EPLLC**" means Equinix Pacific LLC.

24. "**Equinix Group**" means, collectively, the Borrowers and the Guarantors.

25. "**Exemption Event**" means any of the following events by which the Lender reasonably determines that making of the Loans is impossible: (i) an outbreak of a natural disaster, war or terrorist attack, (ii) an interruption or disturbance in electricity, communications or various settlement systems, (iii) any event occurring in the Tokyo interbank market which disables loans in yen, and (iv) any other event objectively considered as not attributable to the Lender.

26. "**Fee Letter**" means the Structuring Fee Letter dated as of September 30, 2015 sent by the Arranger and acknowledged by QAON.

27. "**Financial Obligations**" means (i) short-term debts for borrowed money (excluding trade accounts payable); (ii) commercial paper; (iii) long-term debts (including any long-term debts the repayment dates of which arrive within one year); (iv) bonds (including convertible bonds and convertible bond-type bonds with stock acquisition rights); (v) any indebtedness under interest rate swap or other derivative transactions (including exchange contracts); (vi) any indebtedness under factoring transactions; (vii) any indebtedness related to bill discounts, (viii) lease obligations and (ix) any

indebtedness under guarantees of obligations of third parties described in clauses (i) through (viii).

28. "**First Loan Drawdown**" means the first drawdown of the Loan pursuant to this Agreement.

29. "**First Loan Drawdown Date**" means the date on which the First Loan Drawdown is made.

30. "**First Mandatory Prepayment**" shall have the meaning set forth in Article 12.1.

31. "**Guarantor**" means Japanese Guarantors, US Guarantors, the Target, the Material Target Subsidiary and any additional guarantor that became a Guarantor pursuant to Article 15.3, Article 18.1(3)(f), Article 18.2(3)(g) and their successors.

32. "**Guarantor Account**" means an account at the head office or any branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. opened and held by any Guarantor and approved by the Lender.

33. "**Guarantor Obligations**" means obligations of the Guarantors under this Agreement independently as a primary obligor, not as a guarantor to the obligations of the Borrowers or other Guarantors under this Agreement.

34. "**Hybrid Loan Agreements**" mean certain agreements as listed in Schedule 2 pursuant to which Permitted Intercompany Loans are provided substantially in the form attached hereto as Exhibit A.

35. "**Increased Costs**" means, in the cases where the Lender's lending expenses under this Agreement are increased (excluding any increase caused by a change in tax rates on taxable income of the Lender) due to (i) any enactment, repeal or amendment of the Laws and Ordinances, or any change in the interpretation or application thereof, or (ii) any change in the restrictions under, or application of, the accounting rules, the portion of the lending expenses so increased (in the amount reasonably calculated by the Lender).

36. "**Insolvency Proceedings**" means bankruptcy procedures (*hasan tetsuzuki kaishi*), civil rehabilitation procedures (*minji saisei tetsuzuki kaishi*), corporate reorganization procedures (*kaisha kosei tetsuzuki kaishi*), special liquidation (*tokubetsu seisan kaishi*) or any other similar statutory insolvency procedures.

37. "**Interest Calculation Period**" means, for any Loan (i) the period commencing on the relevant Drawdown Date and ending on the first Interest Payment Date and (ii) each subsequent period thereafter commencing on the last preceding Interest Payment Date and ending on the following Interest Payment Date.

38. "**Interest Payment Date**" means the date on which interest on each Loan shall be paid, which is (i) on and after the relevant Drawdown Date, the final day in each of March, June, September and December in the years occurring during the period through the Maturity Date; provided, however, that by giving notice by 10:00 a.m. three (3) Business Days prior to an Interest Payment Date, All Borrowers may change the immediately following Interest Payment Date to a day one (1) week or one (1) month from the last preceding Interest Payment Date; provided, further that if any such date falls on a day other than a Business Day, the following Business Day shall

be the relevant Interest Payment Date, unless such following Business Day occurs in the next month, in which case the immediately preceding Business Day shall be the relevant Interest Payment Date and (ii) the Maturity Date.

39. "**Item Not Fully Covered**" shall have the meaning set forth in Article 16.4.

40. "**Japan Accounting Documents**" means the non-consolidated and unaudited balance sheet and profit/loss statement prepared for tax filing purposes in Japan.

41. "**Japan GAAP**" means the generally-accepted accounting principles in Japan.

42. "**Japanese Guarantor**" means, individually or collectively, EJKK, EJE, QAON, EJAE2 and their successors (if any) as of the First Drawdown Date, and on and after the completion of the Squeeze Out Procedures, individually or collectively, EJKK, EJE, QAON, EJAE2, the Target, the Material Target Subsidiary and any additional guarantor that is a company incorporated under Japanese law and became a Guarantor pursuant to Article 15.3, Article 18.1(3)(f), Article 18.2(3)(g) and their successors.

43. "**Japanese Guarantor's Officer**" means director (*torishimariyaku*) or executive officer (*shokumu shikkosha*) of each Japanese Guarantor.

44. "**Laws and Ordinances**" means the treaties, laws, ordinances, cabinet orders, ministerial ordinances, rules, announcements, judgments, decisions, arbitral awards, directives and policies of relevant authorities, which may be applicable to each party to this Agreement.

45. "**Lending Obligation**" means the Lender's obligation to make a loan of money to the Borrowers as set forth in Article 2.1.

46. "**Letter of Guarantee**" means a letter of guarantee in the form attached hereto as Exhibit B.

47. "**Loan**" means a loan made by the Lender pursuant to its Lending Obligation.

48. "**Loan Application**" means a loan application in the form attached hereto as Exhibit C.

49. "**Loan Documents**" means, individually or collectively, this Agreement, the Letters of Guarantee, the Fee Letter and the Hybrid Loan Agreements.

50. "**Loan Receivables**" means the loan receivables in relation to a Loan.

51. "**Mandatory Prepayment Obligor**" shall have the meaning set forth in Article 12.1.

52. "**Material Target Subsidiary**" means (i) Bit-surf Inc. and SiteROCK K.K., and (ii) any other wholly-owned Subsidiary of the Target whose EBITDA is three hundred million yen (JPY 300,000,000) or more (it being understood that this amount is calculated based on five (5)% of the consolidated estimated EBITDA of the Target Group as of July 31, 2014).

53. "**Maturity Date**" means the one-year anniversary of the First Loan Drawdown Date (or, if such date falls on a day other than a Business Day, the following Business Day shall be the Maturity Date, unless such following Business Day occurs in the next

month, in which case the immediately preceding Business Day shall be the Maturity Date).

54. “**Maximum Loan Amount**” means forty-seven billion five hundred million yen (JPY 47,500,000,000).

55. “**Mergers and Consolidations**” shall have the meaning set forth in Article 18.1(3)(f).

56. “**Outstanding Loan Money**” means the principal, interest, default interest, Break Funding Cost and all other money payable under the payment obligations that the Borrowers owe pursuant to this Agreement with respect to a Loan.

57. “**Parent Company**”, “**Subsidiary**” and “**Affiliate**” mean those as defined as “*oyagaisha*”, “*kogaisha*” and “*kanrengaisha*”, respectively under Article 8 of the Regulations Concerning Terminology, Forms and Method of Preparation of Financial Statements, etc. of Japan.

58. “**Permitted Financial Obligations**” means (i) existing and future leasing obligations of the Borrowers and the Guarantors under finance leases and operating leases, and (ii) existing and future obligations of the Borrowers and the Guarantors under sale-and-leaseback transactions.

59. “**Permitted Guarantee Obligations**” means any obligations under guarantees of obligations of third parties outside Equinix Group that are existing as of the date of this Agreement and notified in writing to the Lender prior to the First Loan Drawdown Date.

60. “**Permitted Intercompany Loan**” means an intercompany loan among the Equinix Group which satisfies the Subordination Requirements.

61. “**Permitted Treasury Obligations**” means obligations under interest rate swap or other derivative transactions (including exchange contracts) entered into for the hedging of actual or projected real exposures arising in the ordinary course of trading and other regular or customary business activities and not for speculative purposes.

62. “**QAON**” means QAON G.K.

63. “**REIT Requirements**” means the requirements to be fulfilled in order to be treated as real estate investment trust under Sections 850-860 of the US 1986 Internal Revenue Act.

64. “**Second Loan Drawdown**” means the second drawdown of the Loan pursuant to this Agreement.

65. “**Second Loan Drawdown Date**” means the date on which the Second Loan Drawdown is made.

66. “**Solar Business Assets**” means major assets of the solar business owned by the Target and its wholly-owned Subsidiaries, including Terra Power Co., Ltd., as of the date hereof.

67. "**Spread**" means initially 0.4% per annum, and from the day following the day marking the elapse of ten (10) months from the First Loan Drawdown Date onwards, 1.75% per annum.

68. "**Squeeze Out Procedures**" means certain established procedures using a share consolidation or other method in order for QAON to make the Target a wholly-owned subsidiary.

69. "**Subordination Requirements**" means, with respect to any intercompany loan under which any Borrower or Guarantor is a borrower, all of the following requirements: (a) such intercompany loan is subordinated to the Loans and the guarantee obligation hereunder (which must be achieved by agreeing that the relevant intercompany loan obligations will be treated as consensually-subordinated bankruptcy claims (*yakujo retsugo hasan saiken*), consensually-subordinated rehabilitation claims (*yakujo retsugo saisei saiken*) and consensually-subordinated reorganization claims (*yakujo retsugo kosei saiken*)), (b) such intercompany loan is non-interest bearing, (c) the loan period for such intercompany loan is no less than 5 years and (d) such intercompany loan shall have no scheduled repayments of the principal during the first 5 years.

70. "**Target**" means Bit-isle Inc.

71. "**Target Financial Obligations**" means then outstanding Financial Obligations (excluding the Permitted Financial Obligations and the Permitted Guarantee Obligations) of the Target and its wholly-owned Subsidiaries.

72. "**Target Group**" means the Target and its consolidated Subsidiaries.

73. "**Taxes and Public Charges**" means all public taxes or public charges including income taxes, corporate taxes and other taxes, which may be imposed in Japan.

74. "**Tender Offer**" means a tender offer which QAON commenced for the purpose of acquiring all of the common shares and stock acquisition rights of the Target.

75. "**Third Loan Drawdown**" means the third drawdown of the Loan pursuant to this Agreement.

76. "**Third Loan Drawdown Date**" means the date on which the Third Loan Drawdown is made.

77. "**US GAAP**" means accounting principles which are generally-accepted in the United States.

78. "**US Guarantor**" means, individually or collectively, US Parent, Equinix LLC, EPLLC, Switch & Data LLC and their successors.

79. "**US Guarantor Existing Material Debt Documents**" means, collectively,

    (i) the Credit Agreement, dated as of December 17, 2014, among US Parent, as borrower, the guarantors party thereto, Bank of America, N.A, as administrative agent, and the lenders party thereto;

(ii) the Indenture dated as of March 5, 2013 by and between US Parent and U.S. Bank National Association, as trustee, with respect to US Parent's 4.875% Senior Notes due 2020;

(iii) the Indenture dated as of March 5, 2013 by and between US Parent and U.S. Bank National Association, as trustee, with respect to US Parent's 5.375% Senior Notes due 2023;

(iv) the Indenture dated as of November 20, 2014 by and between US Parent and U.S. Bank National Association, as trustee, as supplemented by that certain First Supplemental Indenture dated as of November 20, 2014 with respect to US Parent's 5.375% Senior Notes due 2022 and by that certain Second Supplemental Indenture dated as of November 20, 2014 with respect to US Parent's 5.75% Senior Notes due 2025; and

(v) the Bridge Credit Agreement, dated as of May 28, 2015, among US Parent, as borrower, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent;

in each case, as amended, amended and restated, extended, refinanced, replaced, supplemented or otherwise modified from time to time.

80. "**US Guarantor's Officer**" means chief executive officer, chief financial officer, treasurer or assistant treasurer of each US Guarantor.

81. "**US Parent**" means Equinix Inc.

2. RIGHTS AND OBLIGATIONS OF LENDERS

2.1 The Lender shall lend money in the amount up to the Maximum Loan Amount to the Borrowers in the denomination of Japanese yen only.

2.2 By giving at least ten (10) Business Day advance written notice, All Borrowers can reduce the Maximum Loan Amount in full or in part; provided, however, that once reduced, the Maximum Loan Amount will not be restored to prior levels. The reduction amount in a case of partial reduction must be an amount that is at least one hundred million yen (JPY 100,000,000) and is an integral multiple of ten million yen (JPY 10,000,000).

2.3 In the following cases, the Lender's Lending Obligation will extinguish:

(i) if the Drawdown Period has ended;

(ii) if any event set forth in Article 19.1 or 19.2 has occurred;

(iii) if the number of drawdowns has reached three (3);

(iv) if execution and performance of this Agreement by the Lender has become illegal; or

(v) if the unused amount of the Maximum Loan Amount has been reduced to zero.

2.4 If the Lender fails to make a Loan on a Drawdown Date in breach of its Lending Obligation, the Lender shall, upon the request of the relevant Borrower, promptly compensate the Borrower for all Damages incurred by the Borrower as a result of such breach.

3. USE OF PROCEEDS

3.1 Each Borrower shall use the money raised by the First Loan Drawdown only for the following purposes:

(i) Funds required to purchase shares and stock acquisition rights in the Tender Offer; and

(ii) Funds for Taxes and Public Charges and fees and expenses related to the foregoing.

3.2 Each Borrower shall use the money raised by the Second Loan Drawdown only for the following purposes (including lending to the Target and its wholly-owned Subsidiaries for such purposes):

(i) Funds for refinancing (or for reimbursing Equinix Group for amounts it pays to refinance) the Target Financial Obligations; and

(ii) Funds for Taxes and Public Charges and fees and expenses related to the foregoing.

3.3 Each Borrower shall use the money raised by the Third Loan Drawdown only for the following purposes (including lending to the Target for such purposes):

(i) Funds for cash to be delivered to the shareholders and holders of stock acquisition rights of the Target in relation to the Squeeze Out Procedures and for payment of associated expenses; and

(ii) Funds for Taxes and Public Charges and fees and expenses related to the foregoing.

3.4 Notwithstanding Articles 3.1 to 3.3, in case EJKK, EJE or EJAE2 borrows the Loans pursuant to Articles 4.1 and 6.1 it shall use the money raised by each Drawdown only for the purpose of lending to QAON (or the Target or its wholly-owned Subsidiaries as applicable) and QAON (or the Target or its wholly-owned Subsidiaries as applicable) shall use the money raised by the loan only for the purposes set forth in Articles 3.1 to 3.3.

4. APPLICATION FOR LOAN

4.1 If each Borrower desires to drawdown a Loan, such Borrower shall indicate to the Lender its intention to request a Loan by submitting a Loan Application to the Lender by 11:59 a.m. of the day three (3) Business Days prior to the preferred date of Drawdown, which must be a Business Day during the Drawdown Period. Such Borrower shall send to the Lender by facsimile transmission or e-mail in PDF format a Loan Application. Such Borrower shall confirm with the Lender whether the Lender received by facsimile transmission or e-mail in PDF format the Loan Application by phone.

4.2 The preferred loan amount to be set forth on the Loan Applications shall be an amount not exceeding the Maximum Loan Amount and at least one hundred million yen (JPY 100,000,000), and is an integral multiple of ten million yen (JPY 10,000,000).

4.3 After the Lender has received a Loan Application, the relevant Borrower may not withdraw or change the Loan Application for any reason.

5. CONDITIONS PRECEDENT FOR LOAN

5.1 The Lender shall make the First Loan Drawdown on the condition that the conditions set forth in each of the following items are satisfied as of three (3) Business Days prior to the First Loan Drawdown Date (except Items (i), (v)(f) and (vi)) and the First Loan Drawdown Date:

(i) the relevant Borrower has submitted a Loan Application for the First Loan Drawdown and such Loan Application has fulfilled the terms set forth thereof;

(ii) no Exemption Event has occurred;

(iii) all of the matters set forth in each item of Articles 17.1 and 17.2 are true and correct; except in minor respects;

(iv) none of the Borrowers or the Guarantors has breached any provision of this Agreement except for minor breaches;

(v) each Borrower has submitted all of the following documents of such Borrower to the Lender, and the Lender is reasonably satisfied with the content thereof:

(a) a certified copy of the commercial registration (*shogyo tokibo tohon*), or the certificate of all matters presently recorded (*genzaijiko zembu shomeisho*) or the certificate of all matters historically recorded (*rirekijiko zembu shomeisho*); provided, however, that the certified copy or certificate shall be issued within three (3) months before the date of submission;

(b) a certificate of registered seal impression (*inkan shomeisho*); provided, however, that the certificate shall be issued within three (3) months before the date of submission;

(c) a certified copy of the articles of incorporation and the rules of the board of directors (if any);

(d) a notification of the seal impression or signature in the form prescribed by the Lender;

(e) a certified copy or certified extract copy of the minutes of the meeting of the board of directors or minutes of the equivalent body or a confirmation letter in the form attached hereto as Exhibit D that approved the Tender Offer and execution of and performance of the obligations under the Loan Documents;

(f) legal opinion(s) prepared by legal counsel to such Borrower, which includes the statement opining that (i)(a) such Borrower has been lawfully incorporated and validly existing, (b) the execution of the Loan Documents by such Borrower has been duly authorized, and (c) the Loan Documents are legal, valid, binding and enforceable against such Borrower, and (ii) the legality of the Tender Offer, each of which is customarily required in a transaction similar to the Acquisition;

(g) a certified copy of the final reports relating to financial, tax and legal due diligence in regards to the Acquisition that such Borrower has already implemented in relation to the Target;

(h) the "Public Notice for Commencing Tender Offer (*koukai kaitsuke kaishi koukoku*)", the "Tender Offer Registration Statement (*koukaikaituke todokedesho*)", "Report on the Target Company's Opinion *(ikenhyoumei houkokusho*)" and the "Report on Tender Offer (*koukaikaitusuke houkokusho*)"; provided, however, that if the relevant disclosure material has been published on the EDINET, notice to the Lender to such effect will suffice;

(i) the Japan Accounting Documents prepared by each Borrower (except those incorporated in the calendar year in which the First Loan Drawdown Date occurs) as of its latest fiscal year end; and

(j) a certificate by such Borrower's representative attesting to satisfaction of the conditions precedent for the First Loan Drawdown in the form attached hereto as Exhibit E;

(vi) by the Business Day prior to the First Loan Drawdown Date, a Permitted Intercompany Loan of at least twelve billion and three hundred million yen (JPY 12,300,000,000) has been disbursed from the Equinix Group to QAON, which shall be funded at the higher levels of the Equinix Group by way of Permitted Intercompany Loans or capital contributions made by US Parent, EJKK, EJE, EPLLC and EJAE2;

(vii) US Parent has fulfilled the REIT Requirements, and US Parent has caused its Subsidiaries and Affiliates to carry out their businesses so as to satisfy the REIT Requirements;

(viii) valid and lawful joint and several guarantee by each Guarantor by way of submission of the Letter of Guarantee has been made in accordance with Article 15;

(ix) the Tender Offer has been lawfully completed (except for the settlement for the Tender Offer and the following procedures relating to such settlement);

(x) the Target's board of directors has passed a resolution supporting the Tender Offer at a meeting attended by all directors and statutory auditors (excluding any person who falls under a special interested person or person judged to potentially fall under a special interested person, and any person who is not able to attend the meeting due to special circumstances, such as sickness or a traffic accident), and all attending directors have issued a unanimous statement of support (including all attending statutory auditors not raising objection and not withholding opinion), and such approval and statement have not been withdrawn, reserved or changed, and the directors have not issued a statement opposing to the Tender Offer; and

(xi) each of Warehouse TERRADA, Kohei Terada and Yasunobu Terada has tendered the shares of the Target owned by it in the Tender Offer in accordance with the tender offer agreement that it entered into with QAON, and has not rescinded such tender.

5.2 The Lender shall make the Second Loan Drawdown on the condition that all the conditions set forth below are reasonably satisfied as of three (3) Business Days prior to the Second Loan Drawdown Date (except Item (v)(j) of Article 5.1) and the Second Loan Drawdown Date:

(i) each Borrower has submitted a certificate by such Borrower's representative attesting to satisfaction of the conditions precedent for the Second Loan Drawdown to the Lender, and their content is satisfactory to the Lender in the form attached hereto as Exhibit E; and

(ii) conditions set forth in Article 5.1 (except Items (v)(f) and (v)(g) of Article 5.1) have been satisfied (provided, however, that "First Loan Drawdown Date" will be read as "Second Loan Drawdown Date"). Regarding materials already submitted for the relevant conditions precedent for the First Loan Drawdown, in place of re-submission, a certificate by the relevant Borrower's representative to the effect that there has been no material change to the information set forth in the relevant material can be submitted, and if there has been material change to information set forth in materials already submitted to satisfy the relevant conditions precedent to the First Loan Drawdown, materials reflecting such changes shall be submitted.

5.3 The Lender shall make the Third Loan Drawdown on the condition that all the conditions set forth below are reasonably satisfied as of three (3) Business Days prior to the Third Loan Drawdown Date (except Item (v)(j) of Article 5.1) and the Third Loan Drawdown Date:

(i) each Borrower has submitted all the following documents to the Lender, and their content is satisfactory to the Lender:

(a) a legal opinion prepared by legal counsel to any of the Borrowers or the Target, which includes the statement opining on the legality of the Squeeze Out Procedures;

(b) a certified copy or certified extract copy of the minutes of the meeting of the board of directors and the shareholders' meeting or minutes of the equivalent bodies of the Target and/or QAON as applicable or a confirmation letter in the form attached hereto as Exhibit D that approved the Squeeze Out Procedures; and

(c) a certificate by such Borrower's representative attesting to satisfaction of the conditions precedent for the Third Loan Drawdown in the form attached hereto as Exhibit E;

(ii) conditions set forth in Article 5.1 (except Items (v)(f) and (v)(g) of Article 5.1) have been satisfied (provided, however, that, "First Loan Drawdown Date" will be read as "Third Loan Drawdown Date"). Regarding materials already submitted for the relevant conditions precedent for the previous Drawdowns, in place of re-submission, a certificate by relevant Borrower's representative to the effect that there has been no material change to the information set forth in the relevant material can be submitted, and if there has been material change to information set forth in materials already submitted to satisfy the relevant conditions precedent to the previous Drawdowns, materials reflecting such changes shall be submitted;

(iii) the settlement for the Tender Offer has been completed; and

(iv) in relation to the Squeeze Out Procedures, all procedures other than settlement and the following procedures relating to such settlement have been lawfully completed.

6. MAKING OF LOANS

6.1 If all conditions set forth in each item of Article 5 are satisfied or waived by the Lender as of the relevant Drawdown Date, the Lender shall deposit the loan amount as set forth in the relevant Loan Application in the Borrower Account opened and held by the Borrower which submitted such Loan Application by 10:00 a.m. on the relevant Drawdown Date.

6.2 When the Loan is made pursuant to Article 6.1, the relevant Borrower shall send to the Lender a written receipt, which shall be prepared in the form attached hereto as Exhibit F, in PDF format by 3:00 p.m. on the relevant Drawdown Date, and send out its original by the end of the same day.

6.3 Each Borrower will be responsible as a borrower of the Loans solely for the amount it actually borrows pursuant to Articles 4.1 and 6.1. Articles 3, 4, 6 to 14, 16, 19 and 20 apply to each Borrower as a borrower of the Loans, solely to, and only to the extent the amount of the Loans the Borrower actually borrows pursuant to Articles 4.1 and 6.1. For the avoidance of doubt, this Article 6.3 does not limit any Guarantor's liabilities and responsibilities hereunder.

7. FAILURE TO MAKE LOAN

7.1 If the Lender decides not to make the Loan before 4:00 p.m., Tokyo time, on the Business Day immediately preceding the corresponding Drawdown Date for the reason that all or part of the applicable conditions set forth in Articles 5.1 to 5.3 are not satisfied, the Lender shall notify the relevant Borrower of such decision by 5:00 p.m., Tokyo time of the same date, and if the Lender decides not to make the Loan after 4:00 p.m., Tokyo time, on the same date, the Lender shall notify the relevant Borrower of such decision as soon as practically possible.

7.2 Any Damages incurred by the Lender as a result of the Lender's failure to make the Loan shall be borne by the Borrowers; provided, however, that the foregoing shall not apply (i) if the failure to make the Loan constitutes a breach of the Lender's Lending Obligation or (ii) to loss of anticipated investment or interest earnings from the Loans (except for the Break Funding Cost).

8. INCREASED COSTS AND ILLEGALITY

8.1 If the Lender has incurred the Increased Costs, the Lender may request each Borrower to bear the Increased Costs, and such Borrower shall pay such Increased Costs to the Lender. For the avoidance of doubt, the aggregate amount paid by the All Borrowers pursuant to this Article 8.1 shall not exceed the Increased Costs incurred by the Lender.

8.2 If each Borrower receives the request set forth in Article 8.1 above on any day prior to each Drawdown Date, such Borrower may terminate the Lending Obligation of the Lender, by giving a notice to the Lender by the Business Day immediately preceding such Drawdown Date.

8.3 If each Borrower receives the request set forth in Article 8.1 above on or after each Drawdown Date, such Borrower, by giving a notice to the Lender, may pay to the Lender, on the date designated in such notice (which shall be a Business Day no earlier than ten (10) Business Days after such notice has been given; hereinafter referred to as the "**Desired Increased Costs Prepayment Date**" in this Article 8.3), the full amount of the principal of the Loan. In such case, such Borrower shall pay to the Lender, on the Desired Increased Costs Prepayment Date, (i) the full amount of the principal of the Loan borrowed by it, (ii) the interest on such principal that has accrued by the Desired Increased Costs Prepayment Date (inclusive), (iii) the Break Funding Cost (if any) to be notified by the Lender to the Borrower, and (iv) the Increased Costs applicable to such Borrower and up to the Desired Increased Costs Prepayment Date that the Borrower is requested to bear.

8.4 If the execution and performance of this Agreement and any transaction contemplated under this Agreement become contrary to any Laws and Ordinances binding upon the Lender, the Lender may, by giving notification thereof to All Borrowers, (i) when the continuation of the Lending Obligation, the making of a Loan or the funding of a Loan is considered to be illegal as of any day prior to each Drawdown Date, terminate the Lending Obligation of the Lender on the day immediately preceding the day on which such Lending Obligation becomes illegal, and (ii) on or after each Drawdown Date, when the continuation of a Loan that has already been made is considered to be illegal on or before the Due Date of the Loan, request All Borrowers to pay the entire amount of the Outstanding Loan Money of the Loan respectively, by assuming that the Due Date of the Loan falls on the day immediately preceding the day on which such continuation of the Loan becomes illegal (or on the day set forth pursuant to such Laws and Ordinances, if such deadline for the repayment is set forth in Laws and Ordinances).

9. REPAYMENT OF PRINCIPAL

The Borrower shall, in accordance with the provisions of Article 16, pay the principal of the Loans (only to the extent it actually borrows pursuant to Articles 4.1 and 6.1) to the Lender in a lump sum on the Maturity Date. Each Borrower will be solely responsible for the repayment of what it actually borrows pursuant to Articles 4.1 and 6.1 in its capacity as a borrower of the Loans. For the avoidance of doubt, this Article 6.3 does not limit any Guarantor's liabilities and responsibilities hereunder.

10. INTEREST

10.1 Each Borrower shall, in accordance with the provisions of Article 16, pay, on the Interest Payment Date that is to be the last day of each Interest Calculation Period, the total amount of interest calculated by multiplying the principal amount of each Loan (only to the extent it actually borrows pursuant to Articles 4.1 and 6.1) related to such Interest Calculation Period by (i) the Applicable Interest Rate for such Interest Calculation Period and (ii) the actual number of days of such Interest Calculation Period. Each Borrower will be solely responsible for the payment of the interest accrued from what it actually borrowed.

10.2 The calculation method for interest under Article 10.1 shall be on a day-to-day basis, inclusive of the first day and exclusive of the last day of each Interest Calculation Period, and on the basis of a year of 365 days, wherein divisions shall be done at the end of the calculation, and fractions less than one yen (JPY 1) shall be rounded down.

11. VOLUNTARY PREPAYMENT

11.1 Each Borrower may not prepay all or any part of the principal of the Loans borrowed by such Borrower payable on the Maturity Date in accordance with the provisions of Article 9 prior to the Maturity Date (hereinafter referred to as the "**Prepayment**" in this Article 11 and Article 12); provided, however, that this shall not apply if the Prepayment is made pursuant to Article 8 or Article 12, or if a Borrower, in accordance with the procedures set forth in Articles 11.2 and 11.3 below, obtains prior approval in writing from the Lender.

11.2 If any Borrower desires to make a Prepayment for any amount borrowed by such Borrower, such Borrower shall give a written notice to the Lender by ten (10) Business Days prior to the date on which such Borrower desires to make such Prepayment (hereinafter referred to as the "**Desired Prepayment Date**" in this Article 11), and such notice shall state (a) the principal amount of the Loans with respect to which such Borrower desires to make such Prepayment (which amount shall be the full amount of the outstanding principal amount of the Loans borrowed by such Borrower, or the amount of one hundred million yen (JPY 100,000,000) or a whole multiple of one hundred million yen (JPY 100,000,000) in excess thereof.) The Lender shall judge the acceptance of the Prepayment by eight (8) Business Days prior to the Desired Prepayment Date, and notify All Borrowers and All Guarantors of the result. Failure to notify All Borrowers and All Guarantors of such result by eight (8) Business Days prior to the Desired Prepayment Date shall be deemed as the acceptance of the Prepayment by the Lender. Each notice in this Article 11.2 shall be sent by facsimile transmission or e-mail in PDF format. Such recipient of such notice shall confirm with the sender whether the recipient received by facsimile transmission or e-mail in PDF format the notice by phone.

11.3 If the Prepayment is approved or deemed approved in accordance with Article 11.2 and if the Desired Prepayment Date falls on any day other than an Interest Payment Date, the Lender shall notify All Borrower and All Guarantors of the amount of the Break Funding Cost by two (2) Business Days prior to the Desired Prepayment Date. The relevant Borrower shall, in accordance with the provisions of Article 16, pay the total sum of the principal and the Break Funding Cost (if any) in respect of the Loans to be prepaid by such Prepayment on the Desired Prepayment Date.

12. MANDATORY PREPAYMENT

12.1 If EJKK or any Japanese Guarantor wishes to sell or otherwise dispose of their assets to a third party outside Equinix Group (excluding trading of inventory and products and other activities within the scope of its normal business, or where the value of the assets is less than one hundred million yen (JPY 100,000,000)) (the "**Mandatory Prepayment Obligor**"), such Mandatory Prepayment Obligor shall notify the Lender in writing at least thirty (30) days prior to such sale or disposal of the value of the asset(s) subject to sale or disposal (which may be withdrawn or amended by sending notice to the Lender until three (3) Business Days prior to such sale or disposal). Once the total amount reported to the Lender pursuant to this Article 12.1 exceeds one billion and one hundred million yen (JPY 1,100,000,000), the Mandatory Prepayment Obligor who last notified the Lender shall make the Prepayment of an amount which exceeds one billion yen (JPY 1,000,000,000), on the Interest Payment Date arriving immediately after the day ten (10) Business Days after the day of the latest receipt of funds (the "**First Mandatory Prepayment**"). On and after the First Mandatory Prepayment is made, the Mandatory Prepayment Obligor shall make the Prepayment of an amount equivalent to the full amount of the asset sale proceeds reported to the Lender pursuant to this Article 12.1 less reasonable expenses (including Taxes and Public Charges) on the Interest Payment Date arriving immediately after the day ten (10) Business Days after the day of the receipt of funds. In case that such Mandatory Prepayment Obligor is not the Borrower which actually borrows the Loans pursuant to Articles 4.1 and 6.1 or the amount of Prepayment pursuant to this Article 12.1 exceeds the amount the Loans such Mandatory Prepayment Obligor who is a Borrower actually borrows pursuant to Articles 4.1 and 6.1, the Prepayment amount paid by such Mandatory Prepayment Obligor may be allocated and applied pursuant to Article 15.10.

12.2 If the Target or any of its wholly-owned Subsidiaries wishes to sell or otherwise dispose of the Solar Business Assets relating to Kagoshima Shimotakakuma Project to a third party outside Equinix Group after the settlement of the Tender Offer, EJKK shall notify the Lender in writing at least thirty (30) days prior to such sale or disposal (which may be withdrawn or amended by sending notice to the Lender until three (3) Business Days prior to such sale or disposal), and shall make the Prepayment of an amount equivalent to lesser of (i) the full amount of the asset proceeds less reasonable expenses (including Taxes and Public Charges) or (ii) three billion sixteen million yen (JPY 3,016,000,000) in aggregate, on the Interest Payment Date arriving immediately after the later of (i) the Target becomes a wholly-owned Subsidiary of QAON on the Third Drawdown Date or (ii) the date ten (10) Business Days after the day of receipt of funds.

13. DEFAULT INTEREST

13.1 If each Borrower or Guarantor defaults in the performance of its obligations under this Agreement owed to the Lender, such Borrower or Guarantor shall, immediately upon the Lender's request and in accordance with the provisions of Article 16, for the period commencing on (and including) the due date of such defaulted obligation and ending on (and including) the day on which such Borrower or Guarantor performs all such defaulted obligations (hereinafter referred to as the "**Defaulted Obligations**" in this Article 13.1), pay default interest calculated by multiplying the amount of the Defaulted Obligations by the rate of fourteen percent (14%) per annum (to the extent not in violation of the Laws and Ordinances).

13.2 The calculation method for default interest under Article 13.1 shall be on a day-to-day basis, inclusive of the first and the last days, and on the basis of a year of 365 days, wherein divisions shall be done at the end of the calculation, and fractions less than one yen (JPY 1) shall be rounded down.

14. EXPENSES, TAXES AND PUBLIC CHARGES

14.1 All reasonable expenses (including reasonable attorneys' fees) incurred in connection with the preparation, revision or amendment of this Agreement and any documents related hereto, and all reasonable expenses (including reasonable attorneys' fees) incurred in relation to the maintenance or enforcement of the rights or the performance of the obligations by the Lender pursuant to this Agreement and the documents related hereto shall be borne by All Borrowers to the extent not in violation of the Laws and Ordinances. If the Lender has paid these expenses in place of any Borrower, All Borrowers shall, promptly upon the Lender's reasonable request, pay the same in accordance with the provisions of Article 16.

14.2 The stamp duties and any other similar Taxes and Public Charges incurred in relation to the preparation, amendment or enforcement of this Agreement and any documents related hereto shall be borne by All Borrowers. If the Lender has paid these stamp duties or any other similar Taxes and Public Charges in place of any Borrower, All Borrowers shall, promptly upon the Lender's request, pay the same in accordance with the provisions of Article 16.

15. GUARANTEE

15.1 All Borrowers shall, prior to the First Loan Drawdown, cause each Japanese Guarantor and US Guarantor to submit a Letter of Guarantee to the Lender, and cause such Japanese Guarantor or US Guarantor to submit all of the documents set forth below with respect to such Japanese Guarantor or US Guarantor to the Lender by the day of submission of the Letter of Guarantee, the content of which shall be reasonably satisfied with by the Lender; provided, however, that (i) if a Japanese Guarantor has submitted any of the following documents in the capacity of a Borrower, such Japanese Guarantor does not need to submit such document in duplicate and (ii) in case of a US Guarantor, it will be sufficient to submit documents set forth below only in PDF format as the conditions precedent, to be followed by its original (where applicable) promptly after the date of submission of the Letter of Guarantee. Through the submission of the Letter of Guarantee, a joint and several guarantee agreement under which each such Japanese Guarantor and US Guarantor guarantees any and all obligations, which are owed, or will be owed in the future, by each Borrower and other Guarantor (only to the extent of the Guarantor Obligations) to the Lender under this Agreement shall be formed:

(a) a certified copy of the commercial registration (*shogyo tokibo tohon*), or the certificate of all matters presently recorded (*genzaijiko zembu shomeisho*) or the certificate of all matters historically recorded (*rirekijiko zembu shomeisho*) or, in case of US company, a certified copy of the certification of incorporation and the certificate of good standing (provided, however, that the certified copy or certificate shall be issued within three (3) months before the date of the submission);

(b) a certificate of registered seal impression or, in case of US company, a incumbency certificate signed by an authorized officer certifying the authority and the genuineness of the signature of its signer to this Agreement (provided, however, that the certificate shall be issued within three (3) months before the date of the submission);

(c) a certified copy of the articles of incorporation and the rules of the board of directors (if any);

(d) a notification of the seal impression or signature in the form prescribed by the Lender;

(e) a certified copy or certified extract copy of the minutes of the meeting of the board of directors or minutes of the equivalent body or a confirmation letter in the form attached hereto as Exhibit D that approved the execution of and performance of the obligations under the Loan Documents;

(f) in case of a Japanese Guarantor (except those incorporated in the calendar year in which the First Loan Drawdown Date occurs), the Japan Accounting Documents prepared by such Japanese Guarantor as of the latest fiscal year end;

(g) a legal opinion prepared by legal counsel to US Guarantor, which includes the statement opining that (i) US Guarantor has been lawfully incorporated and validly existing, (ii) the execution of the Loan Documents to which US Guarantor is a party has been duly authorized, and (iii) the Loan Documents to which US Guarantor is a party are legal, valid, binding and enforceable, each of which is customarily required in a transaction similar to the Acquisition.

15.2 All Borrowers shall, on the day of the completion of the Squeeze Out Procedures and substantially concurrently with the Third Loan Drawdown, cause the Target and each Material Target Subsidiary to submit the Letter of Guarantee to the Lender, and cause such Target or Material Target Subsidiary to submit all of the documents set forth in Article 15.1 (provided, however, that “First Loan Drawdown Date” will be read as “Third Loan Drawdown Date”) and below with respect to such Target or Material Target Subsidiary to the Lender by the day of submission of the Letter of Guarantee, the content of which shall be reasonably satisfied with by the Lender Through the submission of the Letter of Guarantee, a joint and several guarantee agreement under which Target and each Material Target Subsidiary guarantees any and all obligations, which are owed, or will be owed in the future, by each Borrower and other Guarantor (only to the extent of the Guarantor Obligations)to the Lender under this Agreement shall be formed:

(a) legal opinion(s) prepared by legal counsel to the Target and the Material Target Subsidiaries, which include the statement opining that (i) each of the Target and Material Target Subsidiaries has been lawfully incorporated and validly existing, (ii) the execution of the Loan Documents to which each of the Target and Material Target Subsidiaries is a party has been duly authorized, and (iii) the Loan Documents to which each of the Target and Material Target Subsidiaries is a party are legal, valid, binding and enforceable, each of which is customarily required in a transaction similar to the Acquisition.

15.3 If, on or after the day of the completion of the Squeeze Out Procedures, a Subsidiary of the Target newly becomes a Material Target Subsidiary, All Borrowers shall promptly cause such new Material Target Subsidiary to submit the Letter of Guarantee to the Lender, and cause such new Material Target Subsidiary to submit all of the documents set forth in Article 15.1 (provided, however, that “First Loan Drawdown Date” will be read as “the day of the provision of the guarantee”) and below with respect to such new Material Target Subsidiary to the Lender by the day of submission of the Letter of Guarantee, the contents of which shall be reasonably satisfied with by the Lender. Through the submission of the Letter of Guarantee, a joint and several guarantee agreement under which such new Material Target Subsidiary guarantees any and all obligations, which are owed, or will be owed in the future, by each Borrower and other Guarantor (only to the extent of the Guarantor Obligations)to the Lender under this Agreement shall be formed.

(a) a legal opinion prepared by legal counsel to the new Material Target Subsidiary, which include the statement opining that (i) the new Material Target Subsidiary has been lawfully incorporated and validly existing, (ii) the execution of the Loan Documents to which the new Material Target Subsidiaries is a party has been duly authorized, and (iii) the Loan Documents to which the new Material Target Subsidiaries is a party are legal, valid, binding and enforceable, each of which is customarily required in a transaction similar to the Acquisition.

15.4 Each Guarantor shall, respectively, jointly and severally with each Borrower and other Guarantor, guarantee to the Lender any and all obligations, which are owed, or will be owed in the future, by each Borrower and other Guarantor (only to the extent of the Guarantor Obligations) to the Lender under this Agreement. The Lender may, without making any exercise of rights or demand to each Borrower or other Guarantor, request each Guarantor to perform the guarantee obligations. If a payment that has already been made by each

Borrower or each other Guarantor pursuant to this Agreement is not approved due to the liquidation, dissolution, commencement of Insolvency Proceedings of such Borrower or such other Guarantor, or is cancelled or returned for any other reason, each Guarantor shall, respectively, in the same manner as the case where the payment is not performed, assume the guarantee obligations with respect to such payment obligation, to the extent permitted under the Laws and Ordinances.

15.5 To the extent permitted under the Laws and Ordinances, each Guarantor shall not assert any exemption of its obligations against the Lender, even if the Lender, for its convenience, decrease obligations of guarantee, or otherwise raise any objection to, the Lender, even if the Lender, for its own convenience, alters (only to the extent it does not provide additional obligations or burdens on such Guarantor) or releases all or part of guarantee held by the Lender with respect to any and all of the obligations that are, or will be in the future, owed to the Lender by each Borrower under this Agreement. Each Guarantor shall not make any claim for damages sustained therefrom against the Lender.

15.6 Even in the cases where a Guarantor has performed all or part of the guarantee obligations to the Lender, if there are any outstanding Loans owing to the Lender, such Guarantor shall not exercise any right that has been obtained from the Lender by subrogation under the performance of the guarantee obligations, without the approval of the Lender. Until the Loans have been paid in full or fully discharged, each Guarantor shall, upon the request of the Lender, assign such right or priority without compensation to the Lender.

15.7 If any Guarantor provides the Lender with any guarantee other than the guarantee obligations set forth in Article 15.4 with respect to the transactions between each Borrower and the Lender, such guarantee shall not be altered at all due to the assumption of the guarantee obligations pursuant to Article 15.4.

15.8 Except as permitted pursuant to Article 20, each Guarantor shall not assert that the receivables of each Borrower or any other Guarantor due from the Lender shall be set off against the obligations that are, or will be in the future, owed to the Lender by such Borrower under this Agreement.

15.9 (i) Each Guarantor shall perform its guarantee obligations in the same currency as the obligations of each Borrower to be paid under this Agreement.

(ii) In the event that any Borrower pays or tenders any payment to the Lender in any currency (hereinafter referred to as the '**Other Currency**" in this paragraph) other than the currency set forth in Item (i) above, such tender or payment shall not reduce, discharge or otherwise affect in any manner the obligations of each Guarantor under Item (i) above to make payments in the currency as set forth therein, whether or not such tender or payment by such Borrower is given any effect under the Laws and Ordinances. Each Guarantor shall continue to owe obligations to make payments as set forth in Item (i) above regardless of any such tender or payment by such Borrower as if no such tender or payment by such Borrower had been made.

(iii) In the event that Item (ii) above is applicable, the Lender may, upon acknowledging the full performance by each Guarantor of its obligations under this Agreement (including the obligations set forth in Item (i) of Article 25.3), pay to such Guarantor the amount that the Lender has been paid or tendered and has actually received in any Other Currency; provided, however, that this shall not apply when such Guarantor assigns, upon the request of the Lender, the right to receive such payment to the Lender in accordance with Article 15.6.

(iv) Regardless of any material or critical change in financial environments or circumstances or in the Laws and Ordinances, any governmental (including quasi-governmental) orders, rules, so-called rescheduling or other dispositions, or else (including any non-enforceable dispositions), which may take place whether in Japan or abroad, and whether or not it affects any of the obligations of any Borrower or Guarantor in any manner, the obligations of each Guarantor to perform the guaranteed obligations in accordance with Article 15 shall not be affected thereby in any manner and each Guarantor shall remain fully responsible and liable to perform its obligations under this Agreement (including its obligations under Items (i) through (iii) above) in accordance with this Agreement. Notwithstanding the foregoing, if any Guarantor may not perform any of its obligations under this Agreement in the currency as set forth in Item (i) above or otherwise in accordance with this Item (iv) due to any restriction binding upon such Guarantor under the Foreign Exchange and Foreign Trade Law or any other applicable Laws and Ordinances or any governmental order or disposition, such Guarantor shall indemnify the Lender against any and all Damages incurred or suffered by the Lender within reasonable cause due to such order or restriction.

(v) The obligations which each Guarantor owes pursuant to Items (i) through (iv) above are indemnity obligations which are independent from the Borrowers' principal obligations and each Guarantor hereby consents that Article 448 of the Civil Code of Japan does not apply to such obligations.

15.10 In case each Guarantor performs its guarantee obligations pursuant to the respective Letter of Guarantee and there are multiple Borrowers which actually borrow the Loans pursuant to Articles 4.1 and 6.1, the amount of guarantee obligations performed by such Guarantor shall be allocated and applied to each Loan borrowed by each Borrower on a pro rata basis.

15.11 Notwithstanding any provision in this Agreement or any other Loan Document, any Borrower or Guarantor may divest the companies listed in clause (i) of the definition of Material Target Subsidiary and the Lender agrees to execute an instrument releasing such company for its obligations under the Letter of Guarantee concurrently with such divestiture, on the condition that (i) the consideration for such divestiture is a fair market value and, upon the Lender's reasonable request, supporting materials with respect to such consideration reasonably satisfactory to the Lender has been provided with the Lender and (ii) cash proceeds of such divestiture less reasonable expenses and any Taxes and Public Charges incurred in connection with such divestiture is subject to mandatory prepayment set forth in Article 12.

16. PERFORMANCE OF OBLIGATIONS BY EACH BORROWER AND GUARANTOR

16.1 In order to repay the obligations under this Agreement, each Borrower and Guarantor shall, to the extent not in violation of the Laws and Ordinances, deposit the relevant amount in the relevant Borrower Account or Guarantor Account (i) by the Due Time, for those obligations the Due Dates of which are set forth herein, or (ii) promptly upon the Lender's request, for those obligations the Due Dates of which are not set forth herein. In such case, the obligations of each Borrower or Guarantor to the Lender shall have been performed at the time of such deposit in the Borrower Account.

16.2 Unless otherwise set forth in this Agreement, none of the Borrowers or the Guarantors may make payments of its obligations under this Agreement directly to the Lender, contrary to Article 16.1. In addition, none of the Borrowers or the Guarantors may perform its obligations under this Agreement by accord and satisfaction (*daibutsu bensai*) unless the Lender gives its prior approval in writing.

16.3 The payments by each Borrower and Guarantor under this Agreement shall be applied to the obligations in the order set forth below (with respect to each Guarantor, including the guarantee obligations for each Borrower's obligations set forth in each item below):

(i) those expenses to be borne by each Borrower or Guarantor under this Agreement, due and payable to a third party;

(ii) those expenses to be borne by each Borrower or Guarantor under this Agreement, which the Lender has incurred in place of such Borrower or Guarantor, and default interest thereon;

(iii) the default interest (other than the default interest set forth in Item (ii) of this Article 16.3) and the Break Funding Cost;

(iv) the interest on the Loan; and

(v) the principal of the Loan.

16.4 Upon the application under Article 16.3, if the amount to be applied falls short of the amount outlined in any of the items thereunder, with respect to the first item not fully covered (hereinafter referred to as the "**Item Not Fully Covered**"), the remaining amount after the application to the item of the previous highest order of priority shall be applied to the Item Not Fully Covered, in proportion to the amount of the individual payment obligations owed by each Borrower or Guarantor regarding the Item Not Fully Covered, which have become due and payable.

16.5 Unless otherwise required by the Laws and Ordinances, each Borrower and Guarantor shall not deduct Taxes and Public Charges from the amount of obligations to be paid pursuant to this Agreement. If any Borrower or Guarantor is required to deduct Taxes and Public Charges from the amount payable by such Borrower or Guarantor, such Borrower or Guarantor shall additionally pay the amount necessary in order for the Lender to be able to receive the amount that it would receive if no Taxes and Public Charges were imposed. In such case, such Borrower or Guarantor shall, within thirty (30) days from the date of payment, directly send to the Lender the certificate of such tax payment issued by the tax authorities in Japan or place of incorporation of such Guarantor or other competent governmental authorities.

16.6 If it is determined that the rate of the tax to be withheld from the interest payable by any Borrower to the Lender will be changed on or after the date of the execution of this Agreement, such Borrower shall notify the Lender thereof promptly after such determination.

17. REPRESENTATIONS AND WARRANTIES BY EACH BORROWER AND GUARANTOR

17.1 Each Borrower represents and warrants to the Lender that each of the matters set forth below (not limited to the matters of such Borrower itself but also the matters of the other Borrowers) is true and correct as of the date of the execution of this Agreement and each Drawdown Date:

(i) each Borrower is a corporation duly incorporated and validly existing under the Laws and Ordinances of Japan;

(ii) the execution and delivery of, and the performance of the obligations under, this Agreement, and the consummation of any transactions contemplated hereby, by each Borrower are within the corporate purposes of such Borrower, and such Borrower has duly completed all procedures necessary therefor under the Laws and Ordinances, the articles of incorporation and other internal rules of such Borrower;

(iii) the execution and delivery of, and the performance of the obligations under, this Agreement, and the consummation of any transactions contemplated hereby, by each Borrower do not result in any violation or breach of (a) the Laws and Ordinances, (b) the articles of incorporation and other internal rules of such Borrower, or (c) any material contract which binds such Borrower or the assets of such Borrower;

(iv) the person who signed or attached his/her name and seal to this Agreement as the representative of each Borrower is authorized to sign or attach his/her name and seal to this Agreement as the representative of such Borrower by all procedures necessary pursuant to the Laws and Ordinances, the regulations equivalent to the articles of incorporation or other internal rules of such Borrower;

(v) this Agreement constitutes legal, valid and binding obligations of each Borrower, enforceable against such Borrower in accordance with the terms of this Agreement;

(vi) the latest Japan Accounting Documents prepared by each Borrower and submitted to the Lender in accordance with Article 5.1 (v)(i) or Article 18.1(1)(b) were accurately and duly prepared in light of Japan GAAP;

(vii) to its knowledge, after the last day of the fiscal term ending in December 2014, there has occurred no material change, which is reasonably expected to result in a material adverse effect on the business, assets, or financial condition of any Borrower or Japanese Guarantor reflected in the Japan Accounting Documents for the fiscal term ending in December 2014 or which may materially adversely affect the performance of the obligations of any Borrower or Japanese Guarantor under this Agreement;

(viii) no lawsuit has commenced or to its knowledge, is likely to commence with respect to any Borrower, which is reasonably expected to materially adversely affect the performance by any Borrower of the obligations under this Agreement;

(ix) no event set forth in each item of Article 19.1 or 19.2 (including any event which may constitute any such event with notice or the passage of time, or both) has occurred; and

(x) No Borrower is an Antisocial Force Related Party:

17.2 Each Guarantor (if a certain Guarantor is specifically referred to in each of the following items, that Guarantor) represents and warrants to the Lender (only with respect to itself) that each of the matters set forth below is true and correct as of the date of the submission of the Letter of Guarantee and each Drawdown Date thereafter:

(i) such Guarantor is a legal entity duly incorporated and validly existing under the Laws and Ordinances of place of incorporation of such Guarantor;

(ii) the execution and delivery of, and the performance of the obligations under, this Agreement, and the consummation of any transactions contemplated hereby, by such Guarantor are within the corporate purposes of such Guarantor, and such Guarantor has duly completed all procedures necessary therefor under the Laws and Ordinances, the articles of incorporation and other internal rules of such Guarantor;

(iii) the execution and delivery of, and the performance of the obligations under, this Agreement, and the consummation of any transactions contemplated hereby, by such Guarantor do not result in any violation or breach of (a) the Laws and Ordinances, (b) the articles of incorporation and other internal rules of such Guarantor, or (c) any material contract which binds such Guarantor or the assets of such Guarantor;

(iv) the person who signed or attached his/her name and seal to this Agreement as the representative of such Guarantor is authorized to sign or attach his/her name and seal to this Agreement as the representative of such Guarantor by all procedures necessary pursuant to the Laws and Ordinances, the articles of incorporation or other internal rules of such Guarantor;

(v) this Agreement constitutes legal, valid and binding obligations of such Guarantor, enforceable against such Guarantor in accordance with the terms of this Agreement;

(vi) if such Guarantor is a Japanese Guarantor, the latest Japan Accounting Documents prepared by such Guarantor and submitted to the Lender in accordance with Article 15.1 (f) (including as applied under Article 15.2 and Article 15.3) or Article 18.2(1)(c) are accurately and duly prepared in light of Japan GAAP;

(vii) if such Guarantor is a US Guarantor, the latest consolidated financial statements for the latest fiscal year and all the fiscal quarters following the end of the latest fiscal year that were filed by US Parent with the United States Securities and Exchange Commission (a) were prepared in accordance with US GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (b) fairly present in all material respects the financial condition of US Parent and its subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with US GAAP consistently applied throughout the period covered thereby, except, with respect to US GAAP application only, as otherwise expressly noted therein and subject, in the case of unaudited financial statements, to the absence of footnotes and to normal year-end audit adjustments;

(viii) if such Guarantor is a Japanese Guarantor, to its knowledge, after the last day of the fiscal term ending in December 2014, there has occurred no material change, which is reasonably expected to result in a material adverse effect on the business, assets, or financial condition of any Borrower or Japanese Guarantor reflected in the Japan Accounting Documents for the fiscal term ending in December 2014 or which may materially adversely affect the performance of the obligations of any Borrower or Japanese Guarantor under this Agreement;

(ix) if such Guarantor is a US Guarantor, to its knowledge, after the last day of the fiscal term ending in December 2014, there has occurred no change that has not been publically disclosed in filings by US Parent with the United States Securities and Exchange Commission, which is reasonably expected to result in a material adverse effect on the business, assets, or financial condition of any Borrower or Guarantor or which may materially adversely affect the performance of the obligations of any Borrower or Guarantor under this Agreement;

(x) no lawsuit, arbitration, administrative procedure or any other dispute has commenced or, to its knowledge, is threatened in writing with respect to such Guarantor, which is reasonably expected to materially adversely affect the performance by such Guarantor of its obligations under this Agreement;

(xi) no event set forth in each item of Article 19.1 or 19.2 (including any event which may constitute any such event with notice or the passage of time, or both) has occurred;

(xii) no Guarantor is an Antisocial Force Related Party;

(xiii) the ratio of the total direct and indirect capital contribution of US Parent and EJKK to EJE is 100%;

(xiv) the ratio of the direct capital contribution of US Parent to EJKK is 100%; and

(xv) the ratio of the total direct and indirect capital contribution of US Parent to QAON is 100%.

18. COVENANTS OF EACH BORROWER AND GUARANTOR

18.1 (1) Each Borrower covenants to perform, at its expense, the matters set forth in each of the following items on and after the date of the execution of this Agreement, and until All Borrowers and All Guarantors complete the performance of all of their obligations under this Agreement to the Lender:

(a) if any Borrower becomes aware that any event set forth in each item of Article 19.1 or 19.2 (including any event which may constitute any such event with notice or the passage of time, or both) has occurred, or is likely to occur, each such Borrower shall promptly notify the Lender thereof;

(b) (i) if each Borrower prepares its Japan Accounting Documents, such Borrower shall promptly submit a copy thereof to the Lender; and (ii) in preparing the Japan Accounting Documents, such Borrower shall accurately and duly prepare them in light of Japan GAAP;

(c) (i) if each Borrower prepares a non-consolidated and unaudited trial balance (*shisan hyo*) (provided, however, that such Borrower shall prepare a trial balance (*shisan hyo*) for each quarterly period), such Borrower shall promptly submit a copy thereof to the Lender; and (ii) in preparing a trial balance (*shisan hyo*), such Borrower shall accurately and duly prepare them in light of US GAAP;

(d) if each Borrower prepares its Japan Accounting Documents in accordance with Article 18.1(1)(b) for any fiscal term ending on or after the date of the execution of this Agreement, such Borrower shall promptly submit to the Lender a document in the form attached hereto as Exhibit G whereby the situation of compliance with each of the matters set forth in Articles 18.1(2) and 24.1 may be confirmed;

(e) each Borrower shall promptly provide the Lender such additional information regarding the business or financial affairs of each Borrower as is reasonably available, or regarding compliance with the terms of this Agreement as the Lender may from time to time reasonably request;

(f) if any Borrower's Officer becomes aware of occurrence of any material change with respect to (i) the conditions of the assets, management or businesses of any Borrower or Japanese Guarantor or (ii) the conditions of the assets, management or businesses regarding the Solar Business Assets, or commencement of any lawsuit, which may materially affect the performance of the obligations of any Borrower or Japanese Guarantor under this Agreement, such Borrower shall promptly notify the Lender thereof; and

(g) if any Borrower's Officer becomes aware of that any of the matters set forth in each item of Article 17.1 or 17.2 is untrue, such Borrower shall promptly notify the Lender thereof.

(2) Each Borrower shall not grant any security to secure any obligations of any Borrower, any Guarantor or any third party on and after the date of the execution of this Agreement, and until All Borrowers and All Guarantors complete the performance of all of their obligations under this Agreement to the Lender, unless the Lender gives its prior written consent; provided, however, that this provision shall not apply to the cases where such granting falls under any of the following items and, in the case of any transaction under item (e) below, such Borrower has given a prior written notice to the Lender thereof. For the purpose of this Article 18.1(2), the granting of security shall mean the granting of security interests (including a continuing collateral security interest (*ne-tanpo-ken*); the same shall apply hereinafter in this Article 18.1(2)) on any assets of such Borrower, or the pre-engagement agreement for the granting of security interests on any assets of such Borrower, and does not include any security interest granted pursuant to the Laws and Ordinances, such as lien (*sakidori tokken*) or possessory lien (*ryuchiken*):

(a) the cases where such granting of security is required by the Laws and Ordinances;

(b) the cases where such Borrower acquires assets on which security interests have already been granted (including the cases where such Borrower acquires assets on which security interests have already been granted, upon its merger, demerger, or business transfer);

(c) the cases where such Borrower grants any security over any cargo or the bill of lading relevant to the import and export when entering into any foreign exchange transaction in respect of the import and export;

(d) the cases where such Borrower grants any security in accordance with a pre-engagement agreement for the granting of security interests without a breach of this Agreement;

(e) the cases where any of the Borrowers or Japanese Guarantors, individually or jointly, grants any security securing any obligation not to exceed six hundred million yen (JPY 600,000,000) in the aggregate at any one time outstanding; provided, however, that funds obtained by owing such obligation shall be used solely for the purpose of working capital, maintenance capital expenditures or integration capital expenditures of the Borrowers or Japanese Guarantors; and

(f) the cases where such Borrower grants any security over the subject assets of any Permitted Financial Obligations to secure the Permitted Financial Obligations.

(3) Each Borrower covenants to comply with the matters set forth in each of the following items, on and after the date of the execution of this Agreement, and until All Borrowers and All Guarantors complete the performance of all of their obligations under this Agreement to the Lender:

(a) each Borrower shall maintain licenses and other similar permits that are necessary to conduct its main business, and continue to carry out the business in compliance with all Laws and Ordinances, except where the failure to maintain such licenses or permits could not reasonably be expected to result in a material adverse effect on such Borrower's business, assets or financial condition or ability to satisfy its obligations under this Agreement;

(b) each Borrower shall not change its main business in any material respect;

(c) unless otherwise specified in the Laws and Ordinances, each Borrower shall not subordinate the payments of any and all of its debts under this Agreement to the payments of any unsecured and unsubordinated debts (including any secured debts that will not be fully collected after the foreclosure sale of the security), or at least shall treat them *pari passu*;

(d) (i) each Borrower shall not bear any new Financial Obligations having a third party outside Equinix Group as creditor except:

(A) the Permitted Financial Obligations;

(B) the cases where any of the Borrowers or Japanese Guarantors, individually or jointly, bear any new Financial Obligations having a third party outside Equinix Group as creditor not to exceed six hundred million yen (JPY 600,000,000) at any one time outstanding in the aggregate; provided, however, that that funds obtained by owing such obligation shall be used solely for the purpose of working capital, maintenance capital expenditures or integration capital expenditures of the Borrowers or Japanese Guarantors;

(C) the Permitted Treasury Obligations; and

(ii) each Borrower shall not bear any intercompany loan (including corporate bond) obligations having Equinix Group as creditor other than Permitted Intercompany Loans;

(e) unless each Borrower gives prior written notice to the Lender, such Borrower will not issue shares (of any type; including stock acquisition rights) other than the Equinix Group.

(f) unless the Lender gives its prior consent, each Borrower shall not implement any merger (*gappei*), demerger (*kaisha bunkatsu*), share exchange (*kabushiki kokan*) or share transfer (*kabushiki iten*) of, any acceptance of all or part of the material business or assets of a third party (collectively, "**Mergers and**

Consolidations") by, such Borrower or its Subsidiary or Affiliate, which transaction will or may materially cause adverse effects on the performance by any Borrower or Guarantor of the obligations under this Agreement except:

(i) intercompany Mergers and Consolidations between companies which are directly or indirectly wholly owned by US Parent so long as, in place of the disappearing company (in the case of merger), splitting company (in the case of demerger), wholly-owning parent company (in the case of share exchange or share transfer), as the case may be, which is a Guarantor, the surviving company (in the case of merger), succeeding company (in the case of demerger), wholly-owned subsidiary (in the case of share exchange or share transfer),as the case may be, becomes a new Guarantor by following substantially the same process as provided in Article 15.2;

(g) each Borrower shall not be an Antisocial Force Related Party;

(h) each Borrower shall not commit, or cause any third party to commit, any of the Antisocial Acts; and

(i) unless the Lender gives its prior written consent, each Borrower shall not alter the terms of Permitted Intercompany Loan to the extent that such alteration would adversely affect the Lender in material respects; provided however that alterations of the terms which will not satisfy the Subordination Requirements are deemed to be a breach of this item.

(4) If each Borrower receives any service of an order for provisional attachment (*kari sashiosae*), preservative attachment (*hozen sashiosae*), or attachment (*sashiosae*) with respect to the Loan Receivables (including any similar procedure taken in any jurisdiction outside Japan), such Borrower shall promptly notify in writing the Lender to that effect, together with a copy of such order.

18.2 (1) Each Guarantor (or, if a certain Guarantor is specifically referred to in each of the following items, that Guarantor) covenants to perform, at its expense, the matters set forth in each of the following items on and after the date of the execution of this Agreement, and until All Borrowers and All Guarantors complete the performance of all of their obligations under this Agreement to the Lender:

(a) if any Guarantor becomes aware that any event set forth in each item of Article 19.1 or 19.2 (including any event which may constitute any such event with notice or the passage of time, or both) has occurred, or is likely to occur, such Guarantor shall promptly notify the Lender thereof;

(b) US Parent shall promptly provide to the Lender a copy of the financial statements that US Parent files with the United States Securities and Exchange Commission or shall promptly notify the Lender when such financial statements have been posted to an internet website accessible by the Lender, which financial statements shall (i) be prepared in accordance with US GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present in all material respects the financial condition of US Parent and its subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with US GAAP consistently applied throughout the period covered thereby, except, with respect to US GAAP application only, as otherwise expressly noted therein and subject, and in the case of unaudited financial statements, to the absence of footnotes and to normal year-end audit adjustments;

(c) (i) if each Japanese Guarantor prepares the Japan Accounting Documents, such Japanese Guarantor shall promptly submit a copy thereof to the Lender; and (ii) in preparing the Japan Accounting Documents, such Japanese Guarantor shall accurately and duly prepare them in light of Japan GAAP;

(d) (i) if each Japanese Guarantor prepares a non-consolidated and unaudited trial balance (*shisan hyo*) (provided, however, that such Japanese Guarantor shall prepare a trial balance (*shisan hyo*) for each quarterly period of its fiscal term), such Japanese Guarantor shall promptly submit a copy thereof to the Lender; and (ii) in preparing a trial balance (*shisan hyo*), such Japanese Guarantor shall accurately and duly prepare them in light of US GAAP;

(e) if each Japanese Guarantor prepares the Japan Accounting Documents in accordance with Article 18.2(1)(c) for any fiscal term ending on or after the date of the execution of this Agreement, such Japanese Guarantor shall promptly submit to the Lender a document in the form attached hereto as Exhibit H whereby the situation of compliance with the matter set forth in Article 18.2(2) may be confirmed;

(f) each Guarantor shall promptly provide the Lender with such additional information regarding the business or financial affairs of such Guarantor as is reasonably available or regarding compliance with the terms of Agreement, as the Lender may from time to time reasonably request;

(g) if any Japanese Guarantor's Officer becomes aware of occurrence of any material change with respect to the conditions of the assets, management or businesses of each Borrower or Japanese Guarantor, or commencement of any lawsuit, which may materially affect the performance of the obligations of any Borrower or Japanese Guarantor under this Agreement, such Japanese Guarantor shall promptly notify the Lender thereof;

(h) if any Japanese Guarantor's Officer becomes aware that any of the matters set forth in each item of Article 17.1 or 17.2 is untrue, such Japanese Guarantor shall promptly notify the Lender thereof;

(i) each US Guarantor shall submit to the Lender on a quarterly basis, a certificate of the US Guarantor's Officer certifying whether or not such US Guarantor's Officer is aware that any of the matters set forth in each item of Article 17.1 or 17.2 is untrue; and

(j) if any change has occurred with respect to the short-term or long-term debt rating of US Parent (including the cases where the rating is newly given or the rating is withdrawn), US Parent shall promptly notify the Lender to that effect.

(2) Each Japanese Guarantor shall not grant any security to secure any obligations of any Borrower, any Guarantor or any third party on and after the date of the execution of this Agreement, and until All Borrowers and All Guarantors complete the performance of all of their obligations under this Agreement to the Lender, unless the Lender gives

its prior written consent; provided, however, that this provision shall not apply to the cases where such granting falls under any of the following items and, in the case of any transaction under item (e) below, such Japanese Guarantor has given a prior written notice to the Lender thereof. For the purpose of this Article 18.2(2), the granting of security shall mean the granting of security interests (including a continuing collateral security interest (*ne-tanpo-ken*); the same shall apply hereinafter in this Article 18.2(2)) on any assets of such Japanese Guarantor, or the pre-engagement agreement for the granting of security interests on any assets of such Japanese Guarantor, and does not include any security interest granted pursuant to the Laws and Ordinances, such as lien (*sakidori tokken*) or possessory lien (*ryuchiken*):

(a) the cases where such granting of security is required by the Laws and Ordinances;

(b) the cases where such Japanese Guarantor acquires assets on which security interests have already been granted (including the cases where such Japanese Guarantor acquires assets on which security interests have already been granted, upon its merger, demerger, or business transfer);

(c) the cases where such Japanese Guarantor grants any security over any cargo or the bill of lading relevant to the import and export when entering into any foreign exchange transaction in respect of the import and export;

(d) the cases where such Japanese Guarantor grants any security in accordance with a pre-engagement agreement for the granting of security interests without a breach of this Agreement;

(e) the cases where any of the Borrowers or Japanese Guarantors, individually or jointly, grants any security securing any obligation not to exceed six hundred million yen (JPY 600,000,000) in the aggregate at any one time outstanding; provided, however, that funds obtained by owing such obligation shall be used solely for the purpose of working capital, maintenance capital expenditures or integration capital expenditures of the Borrowers or Japanese Guarantors; and

(f) the cases where such Japanese Guarantor grants any security over the subject assets of any Permitted Financial Obligations to secure the Permitted Financial Obligations.

(3) Each Guarantor (or, if a certain Guarantor is specifically referred to in each of the following items, that Guarantor) covenants to comply with the matters set forth in each of the following items, on and after the date of the execution of this Agreement, and until All Borrowers and All Guarantors complete the performance of all of their obligations under this Agreement to the Lender:

(a) each Guarantor shall maintain licenses and other similar permits that are necessary to conduct its main business, and continue to carry out the business in compliance with all Laws and Ordinances, except where the failure to maintain such licenses or permits could not reasonably be expected to result in a material adverse effect on such Guarantor's business, assets or financial condition or ability to satisfy its obligations under this Agreement;

(b) each Guarantor shall not change its main business in any material respect;

(c) US Parent shall cause its Subsidiaries and Affiliates to carry out their businesses so as to satisfy the REIT Requirements;

(d) unless otherwise specified in the Laws and Ordinances, each Guarantor shall not subordinate the payments of any and all of its debts under this Agreement to the payments of any unsecured and unsubordinated debts (including any secured debts that will not be fully collected after the foreclosure sale of the security), or at least shall treat them *pari passu*;

(e) the Target and its wholly owned Subsidiaries shall repay in full or otherwise extinguish the Target Financial Obligations as soon as practically possible after the settlement of the Tender Offer are completed no later than forty-five (45) Business Days after the settlement of the Tender Offer, provided however that if there are any outstanding Target Financial Obligations not fully paid-off or otherwise extinguished as of thirty (30) days after the settlement of the Tender Offer, the Borrowers shall, within the same day, report to the Lender in writing (i) the detailed information of such Target Financial Obligations, (ii) the status of negotiation with the creditors thereof and (iii) the reason why the Target has not completed the repayment thereof;

(f) (i) each Guarantor shall not bear any new Financial Obligations having a third party outside Equinix Group as creditor, except:

(A) in the case of US Guarantors, Financial Obligations that are not prohibited from being incurred under the US Guarantor Existing Material Debt Documents;

(B) in the case of Japanese Guarantors, (1) the Permitted Financial Obligations, (2) any of the Borrowers or Japanese Guarantors, individually or jointly, may bear any new Financial Obligations having a third party outside Equinix Group as creditor not to exceed six hundred million yen (JPY 600,000,000) at any time outstanding in the aggregate; provided, however, that that funds obtained by owing such obligation shall be used solely for the purpose of working capital, maintenance capital expenditures or integration capital expenditures of the Borrowers or Japanese Guarantors and (3) the Permitted Treasury Obligations; and

(ii) each Guarantor shall not bear any intercompany loan (including corporate bond) obligations having Equinix Group as creditor unless such intercompany loans are Permitted Intercompany Loans;

(g) unless the Lender gives its prior consent, each Japanese Guarantor shall not implement any Mergers and Consolidations by such Guarantor or its Subsidiary or Affiliate, which transaction will or may materially cause adverse effects on the performance by any Borrower or Guarantor of the obligations under this Agreement, except:

(i) intercompany Mergers and Consolidations between companies which are directly or indirectly wholly owned by US Parent so long as, in place of the disappearing company (in the case of merger), splitting company (in the case of demerger), wholly-owning parent company (in the case of share exchange or share transfer), which is a Guarantor, the surviving company (in the case of merger), succeeding company (in the case of demerger), wholly-owned subsidiary (in the case of share exchange or share transfer), as the case may be, becomes a new Guarantor by following substantially the same process as provided in Article 15.2;

(h) each Guarantor shall not become an Antisocial Force Related Party;

(i) each Guarantor shall not commit, or cause any third party to commit, any of the Antisocial Acts;

(j) US Parent and EJKK shall maintain the ratio of their direct or indirect capital contribution to EJE at 100%. For the avoidance of doubt, this item (j) shall not be interpreted to prohibit intercompany Mergers and Consolidations of EJKK and EJE permitted without the consent of the Lender pursuant to Article 18.2 (3)(g);

(k) US Parent shall maintain its direct or indirect ownership of the Target equal to (i) at least 66 2/3 % from and after the settlement of the Tender Offer but before the completion of the Squeeze Out Procedures and (ii) 100% from and after the completion of the Squeeze Out Procedures. For the avoidance of doubt, this item (k) shall not be interpreted to prohibit intercompany Mergers and Consolidations of the Target permitted without the consent of the Lender pursuant to Article 18.2 (3)(g); and

(l) unless the Lender gives its prior written consent, each Guarantor shall not alter the terms of Permitted Intercompany Loan to the extent that such alternation would adversely affect the Lender in material respects; provided however that alterations of the terms which will not satisfy the Subordination Requirements are deemed to be a breach of this item.

(4) If each Guarantor receives any service of an order for provisional attachment (*kari sashiosae*), preservative attachment (*hozen sashiosae*), or attachment (*sashiosae*) with respect to the right to claim the performance of the guarantee obligations against such Guarantor, such Guarantor shall promptly notify in writing the Lender to that effect, together with a copy of such order.

19. EVENT OF DEFAULT

19.1 If any of the events set forth in the items below has occurred, all of the obligations of All Borrowers under this Agreement payable to the Lender shall automatically become due and payable without any notice or demand by the Lender (as a borrower of the Loans, only to the extent such Borrower actually borrows pursuant to Articles 4.1 and 6.1), and All Borrowers shall immediately pay the principal of and interest on the Loan and the Break Funding Cost and any other payment obligation that All Borrowers owe pursuant to this Agreement, in accordance with the provisions of Article 16:

(i) if any payment by any Borrower or Guarantor has been suspended (*shiharai teishi*), or if a petition (including any similar petition filed in any jurisdiction outside Japan) for the commencement of any Insolvency Proceedings is filed against any Borrower or

Guarantor except the cases where such petition for the commencement of Insolvency Proceedings is frivolous or abusive on its face;

(ii) if any Borrower or Guarantor adopts a resolution for dissolution or is given an order for dissolution, except as a result of Mergers and Consolidations or a dissolution of such Borrower or Guarantor that, in each case, is permitted under this Agreement;

(iii) if any Borrower or Guarantor abolishes its major business, except as a result of Mergers and Consolidations or a dissolution of such Borrower or Guarantor that, in each case, is permitted under this Agreement;

(iv) if any Borrower or Guarantor has received a disposition to suspend transactions with a clearinghouse (including any similar disposition in any jurisdiction outside Japan), or a disposition to suspend transactions by densai.net Co., Ltd. or a similar disposition by any other electronic monetary claim recording institution (including any similar disposition in any jurisdiction outside Japan); or

(v) if any order or notice of provisional attachment (*kari sashiosae*), preservative attachment (*hozen sashiosae*) or attachment (*sashiosae*) (including any similar procedure taken in any jurisdiction outside Japan) has been sent out, or any adjudication that orders an enforcement of preservative attachment (*hozen sashiosae*) or attachment (*sashiosae*) (including any similar adjudication rendered in any jurisdiction outside Japan) has been rendered, with respect to the deposit receivables or other receivables held by any Borrower or Guarantor against the Lender, and such order or notice has not been cancelled within 10 days.

19.2 If any of the events set forth in the items below has occurred, all of the obligations of All Borrowers under this Agreement payable to the Lender shall become due and payable upon notice to All Borrowers and All Guarantors from the Lender (as a borrower of the Loans, only to the extent such Borrower actually borrows pursuant to Articles 4.1 and 6.1), and All Borrowers shall immediately pay the principal of and interest on the Loan and the Break Funding Cost and any other payment obligation that All Borrowers owe pursuant to this Agreement, in accordance with the provisions of Article 16:

(i) if any Borrower or Guarantor has defaulted in performing when due its monetary obligations, whether under this Agreement or not, payable to the Lender in whole or in part;

(ii) if any of the matters set forth in the items of Article 17.1 or 17.2 has been found to be untrue, except in minor respects, and it has not been cured within ten (10) Business Days;

(iii) except for the cases set forth in Item (i) of this Article 19.2, if any Borrower or Guarantor has breached any of its obligations under this Agreement (or, in the case such breach is curable, if any Borrower or Guarantor has committed such breach and such breach has not been cured within ten (10) Business Days);

(iv) if any of the outstanding corporate bonds issued by any Borrower or Guarantor has been accelerated;

(v) if (a)(i) any Borrower or Guarantor has defaulted in performing all or part of the payment of its monetary obligations (in the case of any Borrower or Japanese Guarantor, limited to the monetary obligations whose amount is one hundred million yen (JPY 100,000,000) or more in the aggregate; in the case of any US Guarantor, limited to those monetary obligations a default by such US Guarantor in the payment of which results in an event of default under any of the US Guarantor Existing Material Debt Documents) other than those under this Agreement, or any of such obligations has been accelerated or (ii) if any Borrower or Guarantor has defaulted in performing its guarantee obligations (in the case of any Borrower or Japanese Guarantor, limited to the guarantee whose amount is one hundred million yen (JPY 100,000,000) or more in the aggregate; in the case of any US Guarantor, limited to those guarantee obligations a default by such US Guarantor in the performance of which results in an event of default under any of the US Guarantor Existing Material Debt Documents) for the benefit of a third party when such guarantee obligations have become due and payable; and (b) such default has not been cured within two (2) Business Days;

(vi) if any Borrower or Guarantor has suspended its material business or received dispositions, such as a suspension of business or the like (including any similar disposition in any jurisdiction outside Japan), from the competent government authority;

(vii) if a petition for specific conciliation (*tokutei chotei*) (including any similar petition filed in any jurisdiction outside Japan) has been filed with respect to any Borrower or Guarantor; or

(viii) except for each of the foregoing items, if the business or financial condition of any Borrower or Guarantor has deteriorated, and the necessity arises to preserve its receivables.

19.3 If a notice dispatched by the Lender to any Borrower or Guarantor pursuant to Article 19.2 has been delayed or has not been delivered due to the fault of any Borrower or Guarantor, all of the obligations of All Borrowers under this Agreement shall become due and payable at the time when such notice should have been delivered to such Borrower, and such Borrower shall immediately pay the principal of and interest on the Loan and the Break Funding Cost and any other payment obligations that All Borrowers and All Guarantors owe pursuant to this Agreement, in accordance with the provisions of Article 16.

19.4 If the event set forth in Item (v) of Article 19.1 has occurred, the Lender shall notify All Borrowers and All Guarantors of such occurrence of the event when the Lender becomes aware of the occurrence.

20. SET-OFF

20.1 When any Borrower or Guarantor is required to perform its obligations to the Lender upon their due date, or upon acceleration or otherwise, (a) the Lender may set off the receivables that it has against such Borrower or Guarantor under this Agreement, against its deposit obligations, the obligations under an insurance contract or other obligations that it owes to such Borrower or Guarantor, regardless of whether or not such obligations are due and payable, notwithstanding the provisions of Article 16.2, and (b) the Lender may also omit giving prior notice and following the prescribed procedures, receive a refund of the deposited amount on behalf of such Borrower or Guarantor and apply this amount to the payment of obligations. The interest, Break Funding Cost and default interest and other payment for the receivables and obligations involved in such a set-off or application to payment shall be calculated on the premise that such receivables and obligations shall be extinguished on the day of such calculation. In such calculation, the rate therefor shall be in accordance with the provisions of the agreements related to the rate therefor, and the foreign exchange rate at the time such calculation is made, as reasonably determined by the Lender, shall be applied. The application in such cases shall be made in accordance with the provisions of Articles 16.3 and 16.4.

20.2 If it is necessary for each Borrower or Guarantor to preserve its receivables, such Borrower or Guarantor may set off (i) the deposit receivables, the receivables under the insurance contract or any other receivables that it has against the Lender and that became due, against (ii) the obligations that it owes to the Lender under this Agreement and that became due and payable, notwithstanding the provisions of Article 16.2. In this case, such Borrower or Guarantor shall give written set-off notice to the Lender and promptly submit to the Lender the receivable certificates for the deposit receivables, the receivables under the insurance contract or other receivables being set off and the passbook impressed with the seal of the seal impression submitted. The interest and default interest for the receivables and obligations involved in such a set-off shall be calculated on the premise that such receivables and obligations shall be extinguished on the day of receipt of such set-off notice. In such calculation, the interest rate and default interest rate shall be in accordance with the provisions of the agreements related to such interest rate and default interest rate, and the foreign exchange rate at the time such calculation is made, as reasonably determined by the Lender, shall be applied. The application in such cases shall be made in accordance with the provisions of Articles 16.3 and 16.4.

20.3 In the cases where the principal of a Loan is repaid or set off (including, without limitation, the cases where the principal of such Loan is extinguished as a result of a set-off in accordance with the provisions of Article 20.1 and the cases where the guarantee obligation of any Guarantor for the principal of such Loan is repaid or set off) on any day other than an Interest Payment Date due to a reason not attributable to the Lender, if the Reinvestment Rate related to the Loan so repaid or set off falls below the Applicable Interest Rate for the Interest Calculation Period to which the date of such repayment or set-off belongs, the relevant Borrower shall, in accordance with the provisions of Article 16, pay to such Lender the Break Funding Cost in relation to such repayment or set-off, on the same day as such repayment or set-off, unless otherwise set forth in this Agreement.

21. AMENDMENT TO THIS AGREEMENT

This Agreement may not be amended except as agreed in writing by All Borrowers, All Guarantors, and the Lender.

22. ASSIGNMENT OF STATUS AS A PARTY

22.1 Each Borrower may not assign to any third party its status as a party under this Agreement, or its rights and obligations under this Agreement, unless other Borrowers, the Lender and All Guarantors give their prior consent in writing; provided, however, the Target may assume the obligations of each Borrower under this Agreement in connection with the consolidation or merger of such Borrower with the Target resulting in the Target as surviving company.

22.2 No Guarantor may transfer its status as a party under this Agreement, or its rights and obligations under this Agreement, unless All Borrowers, other Guarantors, and the Lender give their prior consent in writing; provided, however, that any direct or indirect wholly-owned subsidiary of US Parent may assume the obligations of a Guarantor (other than US Parent) in connection with the consolidation or merger of such Guarantor with such direct or indirect wholly-owned subsidiary resulting in such direct or indirect wholly-owned subsidiary as the surviving company.

22.3 The Lender may not assign to any third party its status as a party under this Agreement, or its rights and obligations under this Agreement, unless All Borrowers and All Guarantors give their prior consent in writing.

23. ASSIGNMENT OF LOAN RECEIVABLES, ETC.

The Lender may not assign to any third party all or part of its Loan Receivables, whether or not along with its rights and obligations and any other status as a party under this Agreement associated with such Loan Receivables, unless All Borrowers and All Guarantors give their prior consent in writing.

24. COLLECTION FROM A THIRD PARTY

24.1 Other than the guarantee provided by each Guarantor under this Agreement, each Borrower shall not, on or after the date of the execution of this Agreement, consign any third party (other than a party that is or becomes part of the Equinix Group) to guarantee (including any guarantee by encumbrance of property but not including any continuing guarantee (*ne-hosho*) or any guarantee by encumbrance of property that is a continuing collateral security (*ne-tanpo*)) the performance of obligations by each Borrower under this Agreement, nor shall each Borrower make any third party (other than a party that is or becomes part of the Equinix Group) assume or perform its obligations under this Agreement, unless it obtains prior consent in writing from the Lender.

24.2 The Lender may receive the repayment of the obligations of a Borrower or a Guarantor under this Agreement from a third party (provided, however, that such third party does not include any Guarantor defined as such in this Agreement), if all the requirements set forth in the items below are fulfilled (provided that, in the case of (a) execution of any security interests granted by a guarantor under any guarantee by encumbrance of property, (b) payment with the proceeds from any discretional sale of the assets subject to such security interests, or (c) payment through accord and satisfaction (*daibutsu bensai*) of the assets subject to such security interests, if only the requirement set forth in Item (i) below is fulfilled). The provisions of Article 16.2 shall not apply to the receipt of the repayment in accordance with this Article 24.2:

(i) the repayment is made (a) as the result of execution of any security interests granted by a guarantor under any guarantee by encumbrance of property, (b) as payment with the proceeds from any discretional sale of the assets subject to such security interests, or (c) as payment through accord and satisfaction (*daibutsu bensai*) of the assets subject to such security interests; and

(ii) when the third party exercises against any Borrower or Guarantor its right to receive indemnification from such Borrower or Guarantor obtained as a result of the repayment made by it to the Lender and its right to the receivables to which it has become entitled by subrogating the Lender, it shall consent in writing to treat such rights in the same way as the receivables in relation to such repayment and to be bound by the provisions of this Agreement to such extent, and to submit such written consent to the Lender.

25. GENERAL PROVISIONS

25.1 Consent

In case consent or approval of a party to this Agreement is required pursuant to each provision of this Agreement, such consent or approval shall not be unreasonably withheld, delayed or rejected unless otherwise stated herein.

25.2 Confidentiality Obligations

The Lender shall maintain the confidentiality of all information provided by the Borrowers or the Guarantors to the Lender in connection with the Agreement, except:

(i) upon the assignment of status as a party pursuant to the provisions of Article 22 or an assignment of the Loan Receivables, etc. pursuant to the provisions of Article 23, the Lender may disclose any information with regard to this Agreement to the Assignee (including the Successive Lender set forth in Article 22) or a person considering becoming an Assignee (including an intermediary of such assignment), on the condition that the Lender imposes the confidentiality obligations on the other party. The information with regard to this Agreement referred to in this Item (ii) shall mean any information regarding the credit of each Borrower and Guarantor that has been obtained in connection with this Agreement, any information regarding the content of this Agreement and other information incidental thereto, and any information regarding the content of the Loan Receivables, etc. to be assigned and other information incidental thereto, and shall not include any information regarding the credit of each Borrower and Guarantor that has been obtained in connection with any agreement other than this Agreement.

(ii) the Lender may disclose information with regard to this Agreement, to the extent reasonably necessary, upon an order, direction, request, or the like made pursuant to applicable laws or made by administrative agencies, judicial agencies or other relevant authorities, or central banks or self-regulatory agencies in or outside Japan, or may disclose information with regard to this Agreement to an attorney, judicial scrivener, certified public accountant, accounting firm, tax accountant, rating agency, or any other expert who needs to receive the disclosure of confidential information in relation to his/her work. The Lender may also disclose information with regard to this Agreement to its Parent Company, Subsidiary, and Affiliate to the extent necessary and appropriate for internal control purposes.

25.3 Risk Bearing, Exemption, and Compensation and Indemnification

(i) If any documents furnished by any Borrower or Guarantor to the Lender have been lost, destroyed or damaged for any unavoidable reasons, such as an incident or a natural disaster, such Borrower or Guarantor shall, upon consultation with the Lender, perform its obligations under this Agreement based on the records, such as books and vouchers, of the Lender. Such Borrower or Guarantor shall, upon the request of the Lender, promptly prepare substitute documents and furnish them to the Lender.

(ii) If the Lender performs transactions after comparing, with due care, the signature or seal impression of the representative or agent of each Borrower or Guarantor to be used for the transactions in relation to this Agreement with the signature or seal impression submitted by such Borrower or Guarantor in advance, such Borrower or Guarantor shall bear any Damages incurred as a result of an event such as forgery, alteration or theft of the seals.

(iii) None of the Borrowers or the Guarantors will make any claim against the Lender for any Damages incurred by such Borrower or Guarantor as a result of the Lender taking any actions permitted under this Agreement to the extent such actions are not made negligently (including deciding not to make the Loan and providing the Borrowers and All Guarantors with a notice in accordance with Article 19.2) due to a violation of this Agreement by such Borrower or Guarantor or the fact that any of the items in Article 17.1 or 17.2 is not true (including the fact that any of the matters set forth in Item (x) of Article 17.1 or Item (x) of Article 17.2 is not true, a violation of Item (g) or (h) of Article 18.1(3) by any Borrower, or a violation of Item (h) or (i) of Article 18.2(3) by any Guarantor; hereinafter referred to as a "**Breach of Obligations by Borrower, Etc.**" in this Item (iii)). Any Borrower or Guarantor shall bear any Damages incurred by the Lender that arise as a result of a Breach of Obligations by Borrower, Etc. within reasonable cause.

25.4 Currency Indemnity

(i) In the event that a judgment or order is rendered or issued by any court for the payment of the principal of or interest on the Loan or any other amount payable to the Lender under this Agreement, and such judgment or order is expressed in a currency other than the currency in which the obligations of the Borrowers under this Agreement must be paid (hereinafter referred to as the "**Currency of Payment**" in this Item (i)), or is expressed in the Currency of Payment but is to be enforced in a currency other than the Currency of Payment, any amount received or recovered in such other currency by the Lender in respect of such judgment or order shall only constitute a discharge to each Borrower or Guarantor to the extent of the amount received or recovered in the Currency of Payment and each Borrower and Guarantor shall undertake to pay to the Lender the amount necessary to make up any deficiency arising or resulting from any variation in rates of exchange between (a) the date as of which any amount expressed in the Currency of Payment is (or is to be treated as) converted into such other currency for the purposes of any such judgment or order and (b) the date or dates of discharge of such judgment or order (or a part thereof). The undertaking in this Item (i) shall constitute a separate and independent obligation of each Borrower or Guarantor from its other obligations, shall give rise to a separate and independent cause of action against each Borrower or Guarantor, shall apply irrespective of any indulgence granted by the Lender from time to time, and shall continue in full force and effect notwithstanding any judgment or order.

(ii) Each Guarantor hereby agrees that Article 448 of the Civil Code of Japan does not apply to such obligations.

25.5 Severability

Even if any provision which constitutes a part of this Agreement becomes null, illegal or unenforceable, the validity, legality and enforceability of all the other provisions shall in no way be prejudiced or affected.

25.6 Exception to Application of Bank Transactions Agreements

The Agreement on Bank Transactions and the Agreement on Financial Transactions shall not apply to this Agreement or the transactions contemplated under this Agreement.

25.7 Notices

(i) Any notice under this Agreement shall be made in writing expressly stating that it is made for the purpose of this Agreement, and shall be given by any of the methods set forth in Sub-items (a) through (c) below to the address or the facsimile number of the receiving party set forth in "Contact Information" of Schedule 1 attached hereto. Each party to this Agreement may change its contact information by giving notice thereof to the Agent:

(a) personal delivery;

(b) registered mail or courier service; or

(c) transmission by facsimile.

(ii) The notice pursuant to Item (i) above shall be deemed to have been delivered at the time, in the case of transmission by facsimile, when the receipt of the facsimile is confirmed by the facsimile transmitter of the sender, and in the case of any other methods, when actually received.

25.8 Changes in Notified Matters

(i) In the case of any changes to the matters for which each Borrower or Guarantor has given notice to the Lender (such as the trade name or name, representative, agent, signature, seal or address), such Borrower or Guarantor shall promptly notify the Lender of such changes in writing.

(ii) If any notice to be given under this Agreement is delayed or not delivered as a result of the failure to comply with the notice requirements set forth in Item (i) above, such notice shall be deemed to have been provided as of the date and time when it should have been received under normal circumstances.

25.9 Funds Transfer

Fees for the payments made under this Agreement from a party to this Agreement to any of the other parties to this Agreement shall be borne by the party who makes such payment.

25.10 Calculations

Unless otherwise expressly set forth with respect to any calculation made under this Agreement, all calculations shall be made on a day-to-day basis, inclusive of the first day and exclusive of the last day, and on the basis of a year of 365 days, wherein the division shall be done at the end of the calculation, and fractions less than one yen (JPY 1) shall be rounded down.

25.11 Preparation of Notarized Deeds

Each Borrower and Guarantor shall, at any time upon the request of the Lender, take the necessary procedures to cause a notary public to execute a notarized deed in which such Borrower or Guarantor acknowledges its obligations under this Agreement and agrees to compulsory execution with regard thereto (including any similar procedure taken in any jurisdiction outside Japan). The expenses for the execution of such notarized deed shall be borne by such Borrower or Guarantor.

25.12 Governing Law and Jurisdiction

This Agreement shall be governed by the laws of Japan, and the Tokyo District Court shall be the competent court of non-exclusive agreed jurisdiction over any disputes arising in connection with this Agreement.

25.13 Language

This Agreement shall be prepared in the English language, and the English language version shall be deemed to be the original.

25.14 Consultation

In the event that any matter not set forth in this Agreement or any doubt with respect to the interpretation of this Agreement arises among the parties, each Borrower, each Guarantor and the Lenders shall hold consultations and determine the response thereto.

25.15 Time

All references to time in this Agreement shall mean Tokyo time, unless otherwise expressly set forth in this Agreement.

IN WITNESS WHEREOF, one (1) original of this Agreement has been executed, the representatives, or any agent of such representatives, of each Borrower, Arranger and the Lender have signed or affixed their names and seals hereto, and the Lender shall retain such original. Furthermore, each Borrower and the Arranger shall receive a copy hereof from the Lender.

September 30, 2015

Revenue Stamp

Borrower (address, name, and seal):

/seal/

(QAON G.K.)

Borrower (address, name, and seal):

/seal/

(Equinix Japan K.K.)

Term Loan Agreement for QAON G.K. etc. dated September 30, 2015

Borrower (address, name, and seal):

/seal/

(Equinix (Japan) Enterprises K.K.)

Borrower (address, name, and seal):

/seal/

(EJAE2 G.K.)

Arranger (address, name, and seal):

/seal/
(The Bank of Tokyo-Mitsubishi UFJ, Ltd.)

Term Loan Agreement for QAON G.K. etc. dated September 30, 2015

Lender (address, name, and seal):

/seal/

(The Bank of Tokyo-Mitsubishi UFJ, Ltd.)

Schedule 1 (List of Parties)

List of Parties

1. Borrowers

Corporate Name	QAON G.K.
Address	World Trade Center Bldg., 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan World Trade Center Bldg., 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan 105-6133
Contact Information	Hideo TSUJI (Finance Manager) Telephone No.: 03-6402-6970 Facsimile No.: 03-3436-6775

Corporate Name	Equinix Japan K.K.
Address	World Trade Center Bldg., 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan World Trade Center Bldg., 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan 105-6133
Contact Information	Hideo TSUJI (Finance Manager) Telephone No.: 03-6402-6970 Facsimile No.: 03-3436-6775

Corporate Name	Equinix (Japan) Enterprises K.K.
Address	World Trade Center Bldg., 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan World Trade Center Bldg., 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan 105-6133
Contact Information	Hideo TSUJI (Finance Manager) Telephone No.: 03-6402-6970 Facsimile No.: 03-3436-6775

Corporate Name	EJAE2 G.K.
Address	World Trade Center Bldg., 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan World Trade Center Bldg., 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan 105-6133
Contact Information	Hideo TSUJI (Finance Manager) Telephone No.: 03-6402-6970 Facsimile No.: 03-3436-6775

2. Arranger

Corporate Name	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Address	4-2, 1-Chome, Toranomon, Minato-ku, Tokyo, Japan 4-2, 1-Chome, Toranomon, Minato-ku, Tokyo 105-0001, Japan • Tomoyuki KURATA (Chief Manager)
Contact Information	• Masafumi NAKAYAMA (Manager) Telephone No.: 03-3591-3780 Facsimile No.: 03-3591-3953

3. Lender

Corporate Name	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Address	4-2,1-Chome, Toranomon, Minato-ku, Tokyo, Japan
Lending Office	Toranomon Branch 4-2, 1-Chome, Toranomon, Minato-ku, Tokyo 105-0001, Japan
Contact Information	• Tomoyuki KURATA (Chief Manager) • Masafumi NAKAYAMA (Manager) Telephone No.: 03-3591-3780 Facsimile No.: 03-3591-3953

Schedule 2 (List of Hybrid Loan Agreements)

1. Memorandum of an Agreement to be entered between US Parent and EJKK on or around the First Loan Drawdown Date
2. Memorandum of an Agreement to be entered between EJKK and EJE on or around the First Loan Drawdown Date
3. Memorandum of an Agreement to be entered between EPLLC and EJAE2 on or around the First Loan Drawdown Date
4. Memorandum of an Agreement to be entered between EJE and EJAE2 on or around the First Loan Drawdown Date
5. Memorandum of an Agreement to be entered between EJAE2 and QAON on or around the First Loan Drawdown Date

Exhibit A **(Form of Hybrid Loan Agreement)**

MEMORANDUM OF AN AGREEMENT

This Memorandum of an Agreement ("**MOA**") is entered into as of ("**Effective Date**") by and between the following parties:

Equinix, Inc., a Delaware corporation, with its principal office at One Lagoon Drive, 4h floor, Redwood City, CA 94065 (the "**Lender**"); and

Equinix Japan K.K., a Japanese corporation, with its principal office at World Trade Center Building 33F, 2-4-1, Hamamatsu-cho, Minato-ku, Tokyo 105-6133 Japan (the "**Borrower**").

Whereas:

(A) The parties are engaged in the business of providing network-neutral data centers and Internet exchange services for global enterprises and network service providers.

(B) The Lender agrees to provide a cash advance to the Borrower up to the maximum amount of JPY [   ] to fund the working capital requirements and/or its expansion projects from time to time and/or any acquisition it may wish to undertake, whether by shares or assets.

(C) The Borrower wishes to issues a Promissory Note in respect of the cash advance set out in recital (B) above in accordance with the terms and conditions set out in this MOA.

Now, therefore, the parties hereby agree as follows:

1. The Lender agrees to provide the cash advance to the Borrower up to the maximum amount set forth in recital (B) above.
2. The Borrower shall issue a Promissory Note of up to the maximum amount of JPY [   ] to the Lender on the terms set out in Schedule 1 of this MOA in consideration of the Lender's cash advance to the Borrower.
3. The parties hereto agree to treat the Promissory Note issued contemporaneously with this MOA as an equity investment by the Lender in the Borrower for all U.S. federal income tax purposes.
4. The parties hereto agree that this Agreement shall be governed in all respects by the laws of the State of California without regard to its conflict of law provisions. The parties irrevocably agree to the exclusive jurisdiction of the courts of San Francisco, California. If any legal action is brought by either party under, or relating to, this Agreement, the prevailing party will be entitled to an award of its reasonable attorneys' fees and costs.

The parties hereto have caused this MOA to be signed as of the date first above written.

Equinix, Inc.

By: ______________________________

Name: ______________________________

Title: ______________________________

Equinix Japan K.K.

By: ______________________________

Name: ______________________________

Title: ______________________________

Schedule 1

PROMISSORY NOTE

Date:

Cash advance amount: **[ ]** Japanese Yen ("**JPY**")

FOR VALUE RECEIVED, the undersigned, Equinix Japan K.K. (the "**Borrower**"), a Japanese corporation, promises to pay to the order of Equinix, Inc. (the "**Lender**"), a Delaware corporation, the principal sum of JPY [ ] (the "**Amount**").

No interest shall accrue on the Amount and no scheduled amortization of the Amount shall be required. Repayment of the Amount shall be made upon the demand of the Lender made on a date no earlier than ten years after the date hereof, provided that such repayment is contingent on the Borrower having sufficient profits to repay the Amount as determined at the discretion of the Board of Directors of the Borrower (except, in the event of the liquidation of the Borrower, for any distribution of residual assets of the Borrower remaining after satisfaction of all other creditors' claims). The Borrower may pay at any time, in whole or in part, the Amount in cash or in kind using the Borrower's ordinary shares, as currently constituted, or any combination of both.

This Note is an unsecured obligation of the Borrower and is subordinated to all other present and future loans of the Borrower obtained or to be obtained from, and all claims arising in tort against the Borrower by, third parties who are not affiliated with the Borrower and whose claims are not similarly subordinated (claims under this Note shall rank pari passu with claims similarly subordinated) and to claims which are now or hereafter expressly stated in the instruments creating such claims to be senior in right of payment to the claims of the class of this claim arising out of any matter occurring prior to the date on which the Borrower makes such payment under the terms of this Note.

For the purpose of giving effect to the subordination, the Lender undertakes in favor of such third party creditors that it will not seek to recover amounts due under this Note in priority to or in competition with the amounts due to such third party creditors.

Without limitation of the foregoing, in the case of any bankruptcy proceeding of the Borrower, any Claims shall be subordinated to all the subordinated bankruptcy claims (*retsugoteki hasan saiken*) as defined in Article 99, Paragraph 1 of the Bankruptcy Law of Japan (*hasan hou*) (Law No. 75 of 2004, as amended). Accordingly, the Claims shall be consensually-subordinated bankruptcy claims (*yakujyou retsugo hasan saiken*) pursuant to Article 99, Paragraph 2 of the Bankruptcy Law of Japan in the case of bankruptcy proceedings, and shall be consensually-subordinated rehabilitation claims (*yakujyou retsugo saisei saiken*) pursuant to Article 35, Paragraph 4 of the Civil Rehabilitation Law of Japan (*minji saisei hou*) (Law No. 225 of 1999, as amended) in the case of rehabilitation proceedings. "Claims" shall mean all debts and liabilities of the Borrower to the Lender arising under this Note irrespective of whether such debts and liabilities now exist or hereafter arise.

This Note shall be deemed to be made under and shall be construed in accordance with and governed by the laws of the State of California, except that the provisions of the paragraph immediately above with respect to bankruptcy matters involving the Borrower shall be subject to the laws of Japan as set forth in such paragraph.

In the event of any dispute regarding the amount of principal outstanding hereunder, the books and records of the Lender shall be dispositive.

This Note may not be assigned, pledged, or otherwise transferred by the Lender.

The terms of this Note may be changed at any time by agreement in writing of the parties.

Executed as a deed.

Equinix Japan K.K.

By: ______________________________
Name: Kei Furuta
Title: Representative Director

Term Loan Agreement for QAON G.K. etc. dated September 30, 2015

Exhibit B **(Letter of Guarantee)**

<u>Letter of Guarantee</u>

Revenue Stamp ¥200

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

From: [ ]

Date: [Month, Date, Year]

Dear Sirs,

QAON G.K., etc. – Term Loan Agreement (JPY 47,500,000,000)

dated September 30, 2015

We hereby submit this letter of guarantee (the "Letter of Guarantee") to you in connection with the Term Loan Agreement (JPY 47,500,000,000) dated September 30, 2015 among QAON G.K., Equinix Japan K.K., Equinix (Japan) Enterprises K.K. and EJAE2 G.K. (collectively, the "Borrowers") as borrowers, The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as lender (the "Lender"), as amended from time to time (the "Agreement"). Terms defined in the Agreement have the same meaning in this Letter of Guarantee unless given a different meaning in this Letter of Guarantee.

1. GUARANTEE

1.1 Pursuant to Article [15.1/15.2/15.3] of the Agreement, we shall, jointly and severally with the Borrowers and each other Guarantor, guarantee to the Lender any and all obligations, which are owed, or will be owed in the future, by the Borrowers and each other Guarantor (only to the extent of the Guarantor Obligations) to the Lender under the Agreement.

1.2 We agree to become a Party to the Agreement and be bound by the terms of the Agreement as a Guarantor on and after the date hereof.

2. REPRESENTAIONS AND WARRANTIES

2.1 Pursuant to Article 17.2 of the Agreement, we represent and warrant to the Lender that each of the matters set forth therein is true and correct with respect the Guarantor as of the date hereof.

3. NOTICES

3.1 The contact information of the Guarantor set forth in<u>Schedule 1</u> attached to the Agreement shall be as follows:

Corporate Name	[Guarantor]
Address	●
	●
Contact	●
Information	Telephone No.: ●
	Facsimile No.: ●

4. GENERAL PROVISIONS

4.1 Governing Law and Jurisdiction

This Letter of Guarantee shall be governed by the laws of Japan, and the Tokyo District Court shall be the competent court of non-exclusive agreed jurisdiction over any disputes arising in connection with this Letter of Guarantee.

4.2 Language

This Letter of Guarantee shall be prepared in the English language, and the English language version shall be deemed to be the original.

4.3 Consultation

In the event that any matter not set forth in this Letter of Guarantee or any doubt with respect to the interpretation of this Letter of Guarantee arises among the parties, the Guarantor may directly or through the Borrowers consult with the Lender.

[Name of Guarantor]

By: ____

Exhibit C **(Loan Application)**

Loan Application

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

From: [ ]

Date: [Month, Date, Year]

Dear Sirs,

QAON G.K., etc. – Term Loan Agreement (JPY 47,500,000,000)

dated September 30, 2015

We hereby apply for drawdown of a Loan having the content set forth below, pursuant to Article 4.1 of the Term Loan Agreement (JPY 47,500,000,000) dated September 30, 2015 among QAON G.K., Equinix Japan K.K., Equinix (Japan) Enterprises K.K. and EJAE2 G.K. as borrowers, The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as lender, as amended from time to time (the "Agreement"). The capitalized terms used herein shall have the same meanings as defined in the Agreement unless otherwise defined herein.

Preferred Date of Drawdown: [Month, Date, Year]

Preferred Loan Amount: [ ] yen

Use of Funds: [ ]

[(in the case of the First Loan Drawdown)

Number of Shares and Share Acquisition Rights Expected to be Acquired: [ ]

Expected Amount of Funds Needed for Such Acquisition: [ ]]

[Name of Borrower]

By: ______________________________

Exhibit D **(Confirmation Letter)**

<u>Confirmation Letter</u>

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

From: [ ]

Date: [Month, Date, Year]

Dear Sirs,

QAON G.K., etc. – Term Loan Agreement (JPY 47,500,000,000)

dated September 30, 2015

In reference to the execution of, and the Drawdown of the Loan pursuant to, the Term Loan Agreement (JPY 47,500,000,000) dated September 30, 2015 among QAON G.K., Equinix Japan K.K., Equinix (Japan) Enterprises K.K. and EJAE2 G.K. as borrowers, The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as lender, as amended from time to time (the "Agreement"), we hereby confirm that we have completed all the necessary procedures in accordance with the Laws and Ordinances and our internal rules with respect to [ ]. The capitalized terms used herein shall have the same meanings as defined in the Agreement unless otherwise defined herein.

[Name of Borrower/QAON/Target/Guarantor]

By: ______________________________

Exhibit E (**Certificate on Conditions Precedent for Drawdown**)

Certificate on Conditions Precedent for Drawdown

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

From: [ ]

Date: [Month, Date, Year]

Dear Sirs,

QAON G.K., etc. – Term Loan Agreement (JPY 47,500,000,000)

dated September 30, 2015

We hereby confirm that all the conditions precedent for the [First/Second/Third] Loan Drawdown stipulated in [Articles 5.1/5.2/5.3] of the Term Loan Agreement (JPY 47,500,000,000) dated September 30, 2015 among QAON G.K., Equinix Japan K.K., Equinix (Japan) Enterprises K.K. and EJAE2 G.K. as borrowers, The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as lender, as amended from time to time (the "Agreement") have been satisfied as of the date hereof. The capitalized terms used herein shall have the same meanings as defined in the Agreement unless otherwise defined herein.

[Name of Borrower]

By: ______________________________

Exhibit F **(Receipt)**

Receipt

Revenue Stamp ¥200

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

From: [ ]

Date: [Month, Date, Year]

Dear Sirs,

QAON G.K., etc. – Term Loan Agreement (JPY 47,500,000,000)

dated September 30, 2015 (the "Agreement")

We hereby confirm that we borrowed the following loans from the Lender, and have duly received the loan money as of today. The capitalized terms used herein shall have the same meanings as defined in the Agreement unless otherwise defined herein.

Description

Total: JPY ______________________

[Name of Borrower]

By: ____

Exhibit G **(Report on the Situation of Compliance with the Negative Pledge Provisions and the Provisions for Collection from a Third Party)**

Report on the Situation of Compliance with the Negative Pledge Provisions and the Provisions for Collection from a Third Party

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

From: [ ]

Date: [Month, Date, Year]

Dear Sirs,

QAON G.K., etc. – Term Loan Agreement (JPY 47,500,000,000)

dated September 30, 2015

In accordance with the provisions of Item (d) of Article 18.1(1) of the Term Loan Agreement (JPY 47,500,000,000) dated September 30, 2015 among QAON G.K., Equinix Japan K.K., Equinix (Japan) Enterprises K.K. and EJAE2 G.K. as borrowers (individually, a "Borrower"), The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as lender (the "Lender"), as amended from time to time (the "Agreement"), we, as a Borrower, hereby report to the Lender on the situation of compliance with each of the matters set forth in Article 18.1(2) and 24.1 of the Agreement during the period commencing on (and including) [the date of the execution of the Agreement/the first day of the relevant fiscal term set forth in 1. below] *[Select "the date of the execution of the Agreement" only in the case of the first report]*and ending on (and including) the date of submission hereof (hereinafter referred to as the "Reporting Period"), as follows. The capitalized terms used herein shall have the same meanings as defined in the Agreement unless otherwise defined herein.

Description

1. Relevant Fiscal Term: Fiscal term ending on [Month] [Day], [Year]

2. Report on the Negative Pledge Provisions in Article 18.1(2) during the Reporting Period:

   ( ) A. We have not granted any security (other than those granted pursuant to the Laws and Ordinances or any other security granted pursuant to Items (a) to (d), or (f) of Article 18.1(2)).

   ( ) B. We have granted security pursuant to Item (e) of Article 18.1(2) or with written consent of the Lender as stated below.

(Millions of yen)

Details of the Obligation (*1)	Amount of the Obligation (*2)	Details of the Assets Granted as Security (*3)	Book Value of the Assets Granted as Security (*4)	Grant of Security pursuant to Item (e) or with Written Consent of Lender
Total		Total		

3. Report on the Provisions for Collection from a Third Party in Article 24.1 during the Reporting Period

( ) Other than the guarantee provided by each Guarantor under the Agreement, we have not consigned any third party (other than a party that is or becomes part of the Equinix Group) to guarantee (including any guarantee by encumbrance of property but not including any continuing guarantee (*ne-hosho*) or any guarantee by encumbrance of property that is a continuing collateral security (*ne-tanpo*)) our performance of obligations under the Agreement, nor have we made any third party (other than a party that is or becomes part of the Equinix Group) assume or perform our obligations under the Agreement.

( ) Other than the guarantee provided by each Guarantor under the Agreement, we have consigned a third party (other than a party that is or becomes part of the Equinix Group) to guarantee (including any guarantee by encumbrance of property but not including any continuing guarantee (*ne-hosho*) or any guarantee by encumbrance of property that is a continuing collateral security (*ne-tanpo*)) our performance of obligations under the Agreement, or made a third party (other than a party that is or becomes part of the Equinix Group) assume or perform our obligations under the Agreement, with the prior consent in writing from the Lender.

[End of Document]

< Instructions for completing the items>

2. Situation of Granting of Security during the Reporting Period: Circle either A or B, and if B is applicable, fill in the table below.

*1 and *2: If the relevant security was granted for a loan or business transaction, state the details of such loan or business transaction.
If there is no such loan or business transaction, fill in the columns “Details of the Assets Granted as Security (*3)” and “Book Value of the Assets Granted as Security (*4)” only.

(Example) *1: Loan on bill (loan on deed, overdraft, etc.) dated [Month] [Day], [Year]; sale and purchase of products dated [Month] [Day], [Year]

*3: (Example) Real estate, time deposit, shares

*4: State the book value of the relevant assets granted as security as of the end of the Relevant fiscal term.

Exhibit H (Report on the Situation of Compliance with the Negative Pledge Provisions)

Report on the Situation of Compliance with the Negative Pledge Provisions

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

From: [ ]

Date: [Month, Date, Year]

Dear Sirs,

QAON G.K., etc. – Term Loan Agreement (JPY 47,500,000,000)

dated September 30, 2015

In accordance with the provisions of Item (e) of Article 18.2(1) of the Term Loan Agreement (JPY 47,500,000,000) dated September 30, 2015 among QAON G.K., Equinix Japan K.K., Equinix (Japan) Enterprises K.K. and EJAE2 G.K. as borrowers, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as arranger, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as lender (the "Lender"), as amended from time to time (the "Agreement"), we, as a Guarantor, hereby report to the Lender on the situation of compliance with the matter set forth in Article 18.2(2) of the Agreement during the period commencing on (and including) [the date of the execution of the Agreement/the first day of the relevant fiscal term set forth in 1. below] *[Select "the date of the execution of the Agreement" only in the case of the first report]* and ending on (and including) the date of submission hereof (hereinafter referred to as the "Reporting Period"), as follows. The capitalized terms used herein shall have the same meanings as defined in the Agreement unless otherwise defined herein.

Description

1. Relevant Fiscal Term: Fiscal term ending on [Month] [Day], [Year]

2. Report on the Negative Pledge Provisions in Article 18.2(2) during the Reporting Period:

( ) A. We have not granted any security (other than those granted pursuant to the Laws and Ordinances or any other security granted pursuant to Items (a) to (d), or (f) of Article 18.2(2)).

( ) B. We have granted security pursuant to Item (e) of Article 18.2(2) or with written consent of the Lender as stated below.

(Millions of yen)

Details of the Obligation (*1)	Amount of the Obligation (*2)	Details of the Assets Granted as Security (*3)	Book Value of the Assets Granted as Security (*4)	Grant of Security pursuant to Item (e) or with Written Consent of Lender
Total		Total		

Term Loan Agreement for QAON G.K. etc. dated September 30, 2015

[End of Document]

< Instructions for completing the items>

2. Situation of Granting of Security during the Reporting Period: Circle either A or B, and if B is applicable, fill in the table below.

*1 and *2: If the relevant security was granted for a loan or business transaction, state the details of such loan or business transaction.
If there is no such loan or business transaction, fill in the columns “Details of the Assets Granted as Security (*3)” and “Book Value of the Assets Granted as Security (*4)” only.

(Example) *1: Loan on bill (loan on deed, overdraft, etc.) dated [Month] [Day], [Year]; sale and purchase of products dated [Month] [Day], [Year]

*3: (Example) Real estate, time deposit, shares

*4: State the book value of the relevant assets granted as security as of the end of the Relevant fiscal term.

Exhibit 10.56

FIRST AMENDMENT TO TERM LOAN AGREEMENT

This FIRST AMENDMENT TO TERM LOAN AGREEMENT (the "**Amendment**"), dated as of October 26, 2015 is executed by and between QAON G.K., Equinix Japan K.K., Equinix (Japan) Enterprises K.K. and EJAE2 G.K. (hereinafter respectively referred to as a "**Borrower**"), The Bank of Tokyo-Mitsubishi UFJ, Ltd., in its capacity as arranger (hereinafter referred to as the "**Arranger**"), and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (hereinafter referred to as the "**Lender**") with regard to the Term Loan Agreement dated September 30, 2015, by and between the Borrowers, the Arranger and the Lender (the "**Agreement**"). The parties hereto hereby agree as follows pursuant to Article 21 of the Agreement. Unless otherwise specified herein, the terms used in this Amendment have the same meanings as defined in the Agreement.

1. AMENDMENT

1.1 Schedule 2 (List of Hybrid Loan Agreements) of the Agreement shall be amended and replaced by Exhibit I hereto.

1.2 Exhibit A (Form of Hybrid Loan Agreement) of the Agreement shall be amended and replaced by Exhibit II hereto.

2. GENERAL PROVISIONS

2.1 Except as amended hereby, the Agreement otherwise remains in full force and effect.

2.2 This Amendment shall be a Loan Document.

2.3 Article 25 of the Agreement shall apply *mutatis mutandis* to this Amendment.

[The remainder of this page left blank intentionally. Signature pages follow.]

IN WITNESS WHEREOF, one (1) original of this Amendment has been executed, the representatives, or any agent of such representatives, of each Borrower, the Arranger and the Lender have signed or affixed their names and seals hereto, and the Lender shall retain such original. Furthermore, each Borrower and the Arranger shall receive a copy hereof from the Lender.

October 26, 2015

First Amendment to Term Loan Agreement for QAON G.K. etc.

Borrower (address, name, and seal):

/seal/

(QAON G.K.)

Borrower (address, name, and seal):

/seal/

(Equinix Japan K.K.)

Borrower (address, name, and seal):

/seal/

(Equinix (Japan) Enterprises K.K.)

Borrower (address, name, and seal):

/seal/

(EJAE2 G.K.)

Arranger (address, name, and seal):

/seal/
(The Bank of Tokyo-Mitsubishi UFJ, Ltd.)

Lender (address, name, and seal):

/seal/

(The Bank of Tokyo-Mitsubishi UFJ, Ltd.)

Exhibit I

Schedule 2 (List of Hybrid Loan Agreements)

1. Memorandum of an Agreement entered by and between US Parent, EPLLC, EJKK, EJE, EJAE2 and QAON on October 23, 2015

First Amendment to Term Loan Agreement for QAON G.K. etc.

Exhibit II

Exhibit A (**Form of Hybrid Loan Agreement**)

Attached.

Exhibit 21.1

Subsidiaries of Equinix, Inc.

Name	Jurisdiction
Equinix LLC	Delaware, U.S.
Equinix (US) Enterprises, 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.
NY2 Hartz Way LLC	Delaware, U.S.
Equinix Pacific LLC	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 (Singapore) Enterprises Pte. Ltd.	Singapore
Equinix (Japan) Enterprises K.K.	Japan
EJAE2 G.K.	Japan
QAON G.K	Japan
Equinix Japan KK (in Kanji)	Japan
Equinix Australia Pty Limited	Australia
Equinix (Australia) Enterprises Pty Limited	Australia
Equinix Hong Kong Limited	Hong Kong
Equinix (Hong Kong) Enterprises Limited	Hong Kong
Equinix Information Technologies Hong Kong Limited	Hong Kong
Equinix Information Technology (Shanghai) Co Ltd.	People’s Republic of China
Equinix YP Information Technology (Shanghai) Co Ltd.	People’s Republic of China
Equinix (China) Investment Co., Ltd.	China
Equinix Europe Ltd	United Kingdom
Equinix Group Limited	United Kingdom
Equinix (UK) Limited	United Kingdom
Equinix (Services) Limited	United Kingdom
Equinix Corporation Limited	United Kingdom
Equinix Investments Limited	United Kingdom
Equinix (London) Limited	United Kingdom
Equinix (UK) Enterprises Ltd	United Kingdom
Equinix (Real Estate) GmbH	Germany
Equinix (Germany) GmbH	Germany
Upminster GmbH	Germany
Equinix (Germany) Enterprises GmbH	Germany

Name	Jurisdiction
Equinix (France) SAS	France
Equinix (France) Enterprises SAS	France
Interconnect Exchange Europe SL	Spain
Equinix (Switzerland) GmbH	Switzerland
Equinix (Switzerland) Enterprises GmbH	Switzerland
Equinix (Netherlands) Holdings BV	The Netherlands
EQIX (Global Holdings) C.V.	The Netherlands
Equinix (EMEA) B.V.	The Netherlands
Equinix (EMEA) Acquisition Enterprises B.V.	The Netherlands
Equinix (Netherlands) B.V.	The Netherlands
Virtu Secure Web Services B.V.	The Netherlands
Equinix (Real Estate) B.V.	The Netherlands
Equinix (Spain), S.L.	Spain
Equinix (Netherlands) Enterprises B.V.	The Netherlands
Equinix (Luxembourg) Holdings S.à r.l.	Luxembourg
Equinix (Luxembourg) Investments S.à r.l.	Luxembourg
Equinix (EMEA) Holdings B.V.	The Netherlands
Equinix Middle East FZ LLC	United Arab Emirates
Equinix Italia S.r.L	Italy
ancotel UK Ltd	United Kingdom
ancotel Hong Kong Limited	Hong Kong
Equinix do Brasil Soluções de Tecnologia em Informática S.A.	Brazil
Equinix do Brasil Telecomunicações Ltda.	Brazil
Equinix Do Brasil Participacoes Ltda.	Brazil
Moran Road Partners, LLC	Delaware, U.S.
Switch & Data LLC	Delaware, U.S.
Switch & Data Facilities Company LLC	Delaware, U.S.
Switch and Data Operating Company LLC	Delaware, U.S.
Equinix Canada Ltd.	Canada
Equinix (Canada) Enterprises Ltd.	Canada
Switch and Data CA Nine LLC	Delaware, U.S.
Switch & Data MA One LLC	Delaware, U.S.
Switch And Data NJ Two LLC	Delaware, U.S.
Switch & Data/NY Facilities Company, LLC	Delaware, U.S.
Switch and Data VA Four LLC	Delaware, U.S.
Switch & Data WA One LLC	Delaware, U.S.
Nimbo Technologies Inc.	Delaware, U.S.

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: October 30, 2015

/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: October 30, 2015

/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 September 30, 2015, 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

October 30, 2015

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 September 30, 2015, 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

October 30, 2015