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

FORM 10-Q

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

For the quarterly period ended March 31, 2017

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, 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, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 ofMay 4, 2017 was 77,911,885.

EQUINIX, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

EQUINIX, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	March 31, 2017	December 31, 2016
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 4,923,259	$ 748,476
Short-term investments	14,742	3,409
Accounts receivable, net	429,990	396,245
Other current assets	206,026	319,396
Total current assets	5,574,017	1,467,526
Long-term investments	6,461	10,042
Property, plant and equipment, net	7,605,829	7,199,210
Goodwill	3,053,026	2,986,064
Intangible assets, net	710,706	719,231
Other assets	234,645	226,298
Total assets	$ 17,184,684	$ 12,608,371
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 515,959	$ 581,739
Accrued property, plant and equipment	190,176	144,842
Current portion of capital lease and other financing obligations	99,202	101,046
Current portion of mortgage and loans payable	80,799	67,928
Other current liabilities	133,932	133,140
Total current liabilities	1,020,068	1,028,695
Capital lease and other financing obligations, less current portion	1,523,309	1,410,742
Mortgage and loans payable, less current portion	2,432,610	1,369,087
Senior notes	5,045,449	3,810,770
Other liabilities	645,409	623,248
Total liabilities	10,666,845	8,242,542
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common stock, $0.001 par value per share: 300,000,000 shares authorized; 77,911,859 and 71,409,015 shares outstanding	78	72
Additional paid-in capital	9,601,627	7,413,519
Treasury stock, at cost; 405,469 and 408,415 shares	(146,936)	(147,559)
Accumulated dividends	(2,115,963)	(1,969,645)
Accumulated other comprehensive loss	(882,736)	(949,142)
Retained earnings	61,769	18,584
Total stockholders' equity	6,517,839	4,365,829
Total liabilities and stockholders' equity	$ 17,184,684	$ 12,608,371

See accompanying notes to condensed consolidated financial statements.

EQUINIX, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
	(Unaudited)	
Revenues	$ 949,525	$ 844,156
Costs and operating expenses:		
Cost of revenues	468,961	427,680
Sales and marketing	128,927	106,590
General and administrative	181,399	165,904
Acquisition costs	3,025	36,536
Gains on asset sales	—	(5,242)
Total costs and operating expenses	782,312	731,468
Income from continuing operations	167,213	112,688
Interest income	3,092	925
Interest expense	(111,684)	(100,863)
Other income (expense)	337	(60,710)
Loss on debt extinguishment	(3,503)	—
Income (loss) from continuing operations before income taxes	55,455	(47,960)
Income tax benefit (expense)	(13,393)	10,633
Net income (loss) from continuing operations	42,062	(37,327)
Net income from discontinued operations, net of tax	—	6,216
Net income (loss)	$ 42,062	$ (31,111)
Earnings (loss) per share ("EPS"):		
Basic EPS from continuing operations	$ 0.58	$ (0.55)
Basic EPS from discontinued operations	—	0.09
Basic EPS	$ 0.58	$ (0.46)
Weighted-average shares	72,773	68,132
Diluted EPS from continuing operations	$ 0.57	$ (0.55)
Diluted EPS from discontinued operations	—	0.09
Diluted EPS	$ 0.57	$ (0.46)
Weighted-average shares for diluted EPS	73,367	68,132

See accompanying notes to condensed consolidated financial statements.

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EQUINIX, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Three Months Ended March 31,	
	2017	2016
	(Unaudited)	
Net income (loss)	$ 42,062	$ (31,111)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment ("CTA") gain	106,938	115,899
Unrealized loss on available-for-sale securities, net of tax effects of $(99) and $138	(265)	(304)
Unrealized loss on cash flow hedges, net of tax effects of $4,051 and $2,261	(11,727)	(6,784)
Net investment hedge CTA loss	(28,551)	(16,312)
Net actuarial gain on defined benefit plans, net of tax effects of $(6) and $(4)	11	6
Total other comprehensive income, net of tax	66,406	92,505
Comprehensive income, net of tax	$ 108,468	$ 61,394

See accompanying notes to condensed consolidated financial statements.

EQUINIX, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Three Months Ended March 31, 2017	2016
	(Unaudited)	
Cash flows from operating activities:		
Net income (loss)	$ 42,062	$ (31,111)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	187,989	172,382
Stock-based compensation	38,323	34,061
Amortization of intangible assets	29,017	28,152
Amortization of debt issuance costs and debt discounts	11,580	5,508
Provision for allowance for doubtful accounts	6,710	1,885
Gain on asset sales	—	(5,242)
Loss on debt extinguishment	3,503	—
Other items	3,677	5,169
Changes in operating assets and liabilities:		
Accounts receivable	(39,664)	(11,312)
Income taxes, net	(20,637)	(28,656)
Accounts payable and accrued expenses	(65,414)	(40,217)
Other assets and liabilities	50,225	(25,785)
Net cash provided by operating activities	247,371	104,834
Cash flows from investing activities:		
Purchases of investments	(26,256)	(10,875)
Sales and maturities of investments	19,152	14,294
Business acquisitions, net of cash and restricted cash acquired	(36,041)	(1,601,326)
Purchases of real estate	(41,739)	(16,408)
Purchases of other property, plant and equipment	(277,242)	(197,700)
Proceeds from sale of assets	47,767	22,825
Net cash used in investing activities	(314,359)	(1,789,190)
Cash flows from financing activities:		
Proceeds from employee equity awards	20,074	16,304
Payment of dividends	(148,083)	(124,836)
Proceeds from public offering of common stock, net of offering costs	2,126,258	—
Proceeds from senior notes	1,250,000	—
Proceeds from loans payable	1,059,800	701,250
Repayment of capital lease and other financing obligations	(16,596)	(33,232)
Repayment of mortgage and loans payable	(21,510)	(936,353)
Debt extinguishment costs	(3,132)	—
Debt issuance costs	(40,665)	(65)
Other financing activities	(900)	—
Net cash provided by (used) in financing activities	4,225,246	(376,932)
Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash	11,541	(9,501)
Net increase (decrease) in cash, cash equivalents and restricted cash	4,169,799	(2,070,789)
Cash, cash equivalents and restricted cash at beginning of period	773,247	2,718,427
Cash, cash equivalents and restricted cash at end of period	$ 4,943,046	$ 647,638

Cash and cash equivalents	$ 4,923,259	$ 633,758
Current portion of restricted cash included in other current assets	9,927	3,420
Non-current portion of restricted cash included in other assets	9,860	10,460
Total cash, cash equivalents, and restricted cash shown in the condensed consolidated statement of cash flows	$ 4,943,046	$ 647,638

See accompanying notes to condensed consolidated financial statements.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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, 2016 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 February 27, 2017. Results for the interim periods are not necessarily indicative of results for the entire fiscal year.

Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Equinix and its subsidiaries, including the acquisitions of the IO UK data center operating business from February 3, 2017, Paris IBX data center from August 1, 2016 and Telecity Group plc ("TelecityGroup") from January 15, 2016. All significant intercompany accounts and transactions have been eliminated in consolidation.

Income Taxes

The Company began operating as a real estate investment trust for federal income tax purposes ("REIT") effective January 1, 2015, and thereafter received a favorable private letter ruling ("PLR") from the U.S. Internal Revenue Service ("IRS") that validated the Company's position with respect to specified REIT compliance matters. As a result, the Company may deduct the distributions made to its stockholders from taxable income generated by the Company and its qualified REIT subsidiaries ("QRSs"). The Company's dividends paid deduction generally eliminates the U.S. taxable income of the Company and its QRSs, resulting in no U.S. income tax due. However, the Company's 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 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 performance of the Company, tax law changes and future business acquisitions.

The Company's effective tax rates were 24.2% and 22.2% for the three months ended March 31, 2017 and 2016, respectively.

Assets Held for Sale and Discontinued Operations

Assets and liabilities to be disposed of that meet all of the criteria to be classified as held for sale as set forth in the accounting standard for impairment or disposal of long-lived assets are reported at the lower of their carrying amounts or fair values less costs to sell. Assets are not depreciated or amortized while they are classified as held for sale. A component of a reporting entity or a group of components of a reporting entity that are disposed or meet the criteria to be classified as held for sale should be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. The accounting guidance requires a business activity that, on acquisition, meets the criteria to be classified as held for sale be reported as a discontinued operation. For further information on the Company's assets held for sale and discontinued operations, see Notes 4 and 5.

Reclassifications

Certain amounts in prior periods have been reclassified to conform with current period presentation.

Recent Accounting Pronouncements

Accounting Standards Not Yet Adopted

In March 2017, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-07 Compensation–Retirement Benefits (Topic 715). This ASU was issued primarily to improve the presentation of net periodic pension cost and net periodic post-retirement benefit cost. This ASU requires that an employer reports the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. It also requires the other components of net periodic pension cost and net periodic post-retirement benefit cost to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. Additionally, only the service cost component is eligible for capitalization, when applicable. This ASU is effective for public business entities for its annual or any interim reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements, but does not expect to early adopt this ASU.

In February 2017, FASB issued ASU No. 2017-05 Other Income—Gains and Losses from the Derecognition of Non-financial Assets (Subtopic 610-20). This ASU is to clarify the scope of the non-financial asset guidance in Subtopic 610-20 and to add guidance for partial sales of non-financial assets. This ASU defines the term in substance non-financial asset and clarifies that non-financial assets within the scope of Subtopic 610-20 may include non-financial assets transferred within a legal entity to a counterparty. The ASU also provides guidance on the accounting for what often are referred to as partial sales of non-financial assets within the scope of Subtopic 610-20 and contributions of non-financial assets to a joint venture or other non-controlled investee. This ASU is effective for public business entities for its annual or any interim reporting periods beginning after December 15, 2017. Early adoption is permitted for interim or annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements, but does not expect to early adopt this ASU.

In January 2017, FASB issued ASU No. 2017-04 Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. This ASU is to simplify the subsequent measurement of goodwill. The ASU eliminates step 2 from the goodwill impairment test and the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform step 2 of the goodwill impairment test. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. This ASU should be applied on a prospective basis. This ASU is effective for public business entities for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

In January 2017, FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business, clarifying the definition of a business. The ASU affects all companies and other reporting organizations that must determine whether they have acquired or sold a business. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The ASU is effective for annual periods beginning after December 15, 2017, including interim periods within those periods with early adoption being permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements, but does not expect to early adopt this ASU.

In October 2016, FASB issued ASU 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory. This ASU requires the recognition of the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This ASU is effective for fiscal years and interim period within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements, but does not expect to early adopt this ASU.

In June 2016, FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The ASU requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The ASU requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company expects this ASU to impact its accounts receivable and is currently evaluating the extent of the impact that the adoption of this ASU will have on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) ("ASU 2016-02"). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and Topic 606, Revenue from Contracts with Customers. The new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. ASU 2016-02 is effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. While the Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements, the Company believes this standard will have a significant impact on its consolidated financial statements due, in part, to the substantial amount of leases it has.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments- Overall (Subtopic 825-10) ("ASU 2016-01"), which requires all equity investments to be measured at fair value with changes in the fair value recognized through net income other than those accounted for under equity method of accounting or those that result in consolidation of the investees. The ASU also requires that an entity present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. In addition, the ASU eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities and the requirement to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet for public business entities. ASU 2016-01 is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company currently holds publicly traded equity securities that are classified as “available-for-sale” and are carried at fair value with unrealized gains and losses reported in stockholders’ equity as a component of accumulated other comprehensive income (loss). Upon the adoption of this ASU, the unrealized gains and losses will be recognized through net income. The Company has not elected to measure its financial liabilities at fair value therefore, does not expect to have an impact on the accounting for its financial liabilities.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers ("ASU 2014-09") Topic 606 and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016 and May 2016 within ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2016-20, respectively (ASU 2014-09, ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12 and ASU 2016-20 collectively, Topic 606). Topic 606 will replace most existing revenue recognition guidance in U.S. GAAP. The core principle of Topic 606 is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. Topic 606 requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments.

Topic 606 allows entities to adopt with one of these two methods: full retrospective, which applies retrospectively to each prior reporting period presented or modified retrospective, which recognizes the cumulative effect of initially applying the revenue standard as an adjustment to the opening balance of retained earnings in the period of initial application. The Company currently anticipates adopting the standard using the modified retrospective method.

Topic 606, as amended, is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods therein (i.e., January 1, 2018, for a calendar year entity). Early application for public entities is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company expects to adopt the standard on January 1, 2018.

While the Company is continuing to evaluate all potential impacts of the standard, the Company believes the most significant impact relates to its accounting for installation revenue and the cost to obtain contracts. Under the new standard, the Company expects to recognize installation revenue over the contract period rather than over the estimated installation life. Under the new standard, the Company is also required to capitalize and amortize certain costs to obtain contracts. Therefore, these costs to obtain contracts will not be immediately expensed, but will be capitalized and amortized over the estimated contract term plus estimated renewal term.

Accounting Standards Adopted

In December 2016, FASB issued ASU No. 2016-19, Technical Corrections and Improvements. This ASU covers a wide range of Topics in the Accounting Standards Codification. Certain aspects of this ASU were effective immediately, while a few of the corrections are effective for public business entities for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. The Company adopted ASU 2016-19 in the three months ended March 31, 2017. The adoption of ASU 2016-19 did not impact the Company's condensed consolidated financial statements.

In November 2016, FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. This ASU applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows. The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This ASU is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years with early adoption being permitted. This ASU should be applied using a retrospective transition method to each period presented. The Company adopted ASU 2016-18 in the three months ended March 31, 2017 and applied this ASU retrospectively to the periods presented in the Company's condensed consolidated statements of cash flows. As a result, net cash used in investing activities for the three months ended March 31, 2016 was adjusted to exclude the change in restricted cash and increased the previously reported amount by $466.4 million.

Restricted cash amounts are primarily time deposits or cash set side as a pledge for our mortgage loan in Germany and collateral for the Company's various bank guarantees for the periods ended March 31, 2017 and 2016.

In October 2016, FASB issued ASU No. 2016-17, Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control. This ASU alters how a decision maker needs to consider indirect interests in a variable interest entity ("VIE") held through an entity under common control. Under this ASU, if a decision maker is required to evaluate whether it is the primary beneficiary of a VIE, it will need to consider only its proportionate indirect interest in the VIE held through a common control party. This ASU is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, with early adoption permitted. The Company adopted ASU 2016-17 in the three months ended March 31, 2017. The adoption of this standard did not impact the Company's condensed consolidated financial statements as it does not hold any interests in a VIE through related parties that are under common control.

In August 2016, FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. This ASU provides guidance on the classification of eight cash flow issues to reduce the existing diversification in practice, including (a) debt prepayment or debt extinguishment costs; (b) settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; (c) contingent consideration payments made after a business combination; (d) proceeds from settlement of insurance claims; (e) proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies; (f) distributions received from equity method investees; (g) beneficial interests in securitization transactions; and (h) separately identifiable cash flows and application of the predominance principle. The ASU is effective for fiscal years and interim period within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The Company adopted ASU 2016-15 in the three months ended March 31, 2017 and applied this ASU using a retrospective transition method to each period presented in the Company's condensed consolidated statements of cash flows. The adoption of ASU 2016-15 did not impact the Company's condensed consolidated statements of cash flows.

In March 2016, the FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"). This ASU simplifies several areas of the accounting for share-based payment award transactions, including (*a*) income tax consequences; (*b*) classification of awards as either equity or liabilities; and (*c*) classification on the statement of cash flows. This ASU is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods, with early adoption permitted. The Company adopted ASU 2016-09 in the three months ended March 31, 2017. Beginning on January 1, 2017, the Company began to record the excess tax benefits from stock-based compensation as income tax expense through the statement of operations instead of additional paid-in capital as required under the previous guidance. There was no adjustment to excess tax benefits from stock-based compensation recorded as additional paid-in capital in prior years. Excess tax benefits that were not previously recognized, as well as a valuation allowance recognized for deferred tax assets as a result of the adoption of this ASU, were recorded on a modified retrospective basis through a cumulative-effect adjustments to retained earnings as of the beginning of 2017 totaling $1.1 million. As a part of the adoption of this ASU, stock compensation awards will have more dilutive effect on the Company's earnings per share prospectively.

Under this guidance, cash flows related to excess tax benefits will no longer be separately classified as financing activities apart from other income tax cash flow. The Company elected to apply this part of the guidance retrospectively, which resulted in a change of $0.6 million in both net cash provided by operating activities and net cash used in financing activities in the Company's condensed consolidated statement of cash flows for the three months ended March 31, 2016 to conform with the current period presentation. Additionally, this guidance permits entities to make an accounting policy to estimate forfeitures each period or to account for forfeitures as they occur. The Company elected to continue to estimate forfeitures.

In March 2016, the FASB issued ASU 2016-06, Derivatives and Hedging (Topic 815), Contingent Put and Call Options in Debt Instruments ("ASU 2016-06"). This ASU clarifies the requirements for assessing whether contingent call (put) options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts. An entity performing the assessment under the amendments in this ASU is required to assess the embedded call (put) options solely in accordance with the four-step decision sequence. This guidance is to be applied on a modified retrospective basis to existing debt instruments as of the beginning of the fiscal year in which the amendments are effective, and is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The Company adopted ASU 2016-06 in the three months ended March 31, 2017. The adoption of this standard did not have a significant impact on the Company's condensed consolidated financial statements.

In March 2016, the FASB issued ASU 2016-05, Derivatives and Hedging (Topic 815), Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships ("ASU 2016-05"). This ASU clarifies that a change in the counterparty to a derivative instrument that has been designated as a hedging instrument under Topic 815 does not, in and of itself, require dedesignation of that hedging relationship provided that all other hedge accounting criteria continue to be met. This ASU may be applied prospectively or using a modified retrospective approach, and is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The Company adopted ASU 2016-05 in the three months ended March 31, 2017. The adoption of ASU 2016-05 did not have a significant impact on the Company's condensed consolidated financial statements.

EQUINIX, INC.

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2. Earnings Per Share

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

	Three Months Ended March 31,	
	2017	2016
Net income (loss):		
Net income (loss) from continuing operations	$ 42,062	$ (37,327)
Net income from discontinued operations	—	6,216
Net income (loss)	$ 42,062	$ (31,111)
Weighted-average shares used to calculate basic EPS	72,773	68,132
Effect of dilutive securities:		
Employee equity awards	594	—
Weighted-average shares used to calculate diluted EPS	73,367	68,132
Basic EPS:		
Continuing operations	$ 0.58	$ (0.55)
Discontinued operations	—	0.09
Basic EPS	$ 0.58	$ (0.46)
Diluted EPS:		
Continuing operations	$ 0.57	$ (0.55)
Discontinued operations	—	0.09
Diluted EPS	$ 0.57	$ (0.46)

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

	Three Months Ended March 31,	
	2017	2016
Shares reserved for conversion of 4.75% convertible subordinated notes	—	1,969
Common stock related to employee equity awards	93	1,583
Total	93	3,552

3. Acquisitions

IO Acquisition

On February 3, 2017, the Company acquired IO UK's data center operating business in Slough, United Kingdom, for a cash payment of approximately$37.4 million ("IO Acquisition"). The acquired facility will be renamed LD10. The IO Acquisition constitutes a business under the accounting standard for business combinations and as a result, was accounted for as a business combination using the acquisition method of accounting. Under the acquisition method, the total purchase price is allocated to the assets acquired and liabilities assumed measured at fair value on the date of acquisition. As of the date of this quarterly report, the Company has not completed the detailed valuation analysis, including determination of the purchase price, which is subject to continuing management analysis with the assistance of third party valuation advisors. Therefore, the purchase price has been provisionally allocated primarily to property, plant and equipment of $40.3 million, goodwill of$17.9 million, intangible assets of$6.3 million, deferred tax assets of $6.3 million and financing obligations of $33.1 million. The nature of the intangible assets acquired is customer relationships with an estimated useful life of 10 years. Goodwill is not expected to be deductible for local tax purposes and is attributable to the Company's EMEA region.

The Company included IO UK's data center operating results from February 3, 2017 and the estimated fair value of assets acquired and liabilities assumed in its condensed consolidated balance sheets beginning February 3, 2017. For the three months ended March 31, 2017, the incremental revenues and net loss recorded from the IO Acquisition were not significant to the Company's condensed consolidated statement of operations. The acquisition costs incurred during the three months ended March 31, 2017 related to the IO Acquisition were not significant.

Offer for Certain Verizon Data Center Assets

On December 6, 2016, the Company entered into a transaction agreement with Verizon Communications Inc. ("Verizon") to acquire Verizon's colocation services business consisting of 29 data center buildings, located in the United States, Brazil and Colombia, for a cash purchase price of approximately $3.6 billion (the "Acquisition" or the "Selected Verizon Data Center Business Acquisition"). The Acquisition closed on May 1, 2017 and will be accounted as a business combination using the acquisition method of accounting. The Company funded the Acquisition with proceeds of debt and equity financings, which closed in January and March 2017 (See further discussions on the term B-2 loan borrowing and senior notes issuance in Note 9 and common stock issuance in Note 11).

In connection with the Acquisition, the Company entered into a commitment letter (the "Commitment Letter"), dated December 6, 2016, with JPMorgan Chase Bank, N.A., Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Commitment Parties"), pursuant to which the Commitment Parties committed to provide a senior unsecured bridge facility in an aggregate principal amount of $2.0 billion for the purposes of funding (i) a portion of the cash consideration for the Acquisition and (ii) the fees and expenses incurred in connection with the Acquisition. Commitment fees associated with the Commitment Letter were equal to (i) 0.50% of the commitment plus (ii) an additional 0.25% of the commitment that is four months after the date in which the Commitment Letter was entered into. In March 2017, the Company terminated the Commitment Letter as the debt and equity financings associated with the Acquisition were completed in March 2017. See further discussions on the senior notes issuance in Note 9 and common stock issuance in Note 11. During the first quarter of 2017, the Company paid $10.0 million of commitment fees associated with the Commitment Letter and recorded $7.8 million to interest expense in the condensed consolidated statement of operations for the three months ended March 31, 2017.

Paris IBX Data Center Acquisition

On August 1, 2016, the Company completed the purchase of Digital Realty Trust, Inc.'s ("Digital Realty's") operating business including its real estate and facility, located in St. Denis, Paris for cash consideration of approximately €193.8 million or $216.4 million at the exchange rate in effect on August 1, 2016 (the "Paris IBX Data Center Acquisition"). A portion of the building was leased to the Company and was being used by the Company as its Paris 2 and Paris 3 data centers. The Paris 2 lease was accounted for as an operating lease and the Paris 3 lease was accounted for as a financing lease. Upon acquisition, the Company in effect terminated both leases. The Company settled the financing lease obligation of Paris 3 for €47.8 million or approximately $53.4 million and recognized a loss on debt extinguishment of €8.8 million or approximately $9.9 million in the third quarter of 2016. The Paris IBX Data Center Acquisition constitutes a business under the accounting standard for business combinations and as a result, the Paris IBX Data Center Acquisition was accounted for as a business combination using the acquisition method of accounting.

The Company included the incremental Paris IBX Data Center's results of operations from August 1, 2016 and the estimated fair value of assets acquired and liabilities assumed in its condensed consolidated balance sheets beginning August 1, 2016. The Company incurred acquisition costs of approximately $12.0 million for the year ended December 31, 2016 related to the Paris IBX Data Center Acquisition.

Purchase Price Allocation

Under the acquisition method of accounting, the assets acquired and liabilities assumed in a business combination shall be measured at fair value at the date of the acquisition and the Company has completed the valuation analysis. The purchase price allocation, which excludes settlement of the Paris 3 financing obligations, was as follows (in thousands):

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Cash and cash equivalents	$	4,073
Accounts receivable		1,507
Other current assets		794
Property, plant and equipment		143,972
Intangible assets		11,758
Goodwill		48,835
Other assets		81
Total assets acquired		211,020
Accounts payable and accrued liabilities		(2,044)
Other current liabilities		(2,798)
Deferred tax liabilities		(42,395)
Other liabilities		(755)
Net assets acquired	$	163,028

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. Goodwill is not expected to be deductible for local tax purposes. Goodwill will not be amortized and will be tested for impairment at least annually. Goodwill is attributable to the Company's EMEA region.

The following table presents certain information on the acquired identifiable intangible assets (dollars in thousands):

Intangible Assets		Fair Value	Estimated Useful Lives (Years)	Weighted-average Estimated Useful Lives (Years)
In-place leases	$	7,485	0.9-9.4	4.3
Favorable leasehold interests		4,273	1.9-6.7	5.3

The fair value of in-place leases may consist of a variety of components including, but not necessarily limited to the value associated with avoiding the cost of originating the acquired in-place leases. The fair value of favorable leases was estimated based on the income approach, by computing the net present value of the difference between the contractual amounts to be paid pursuant to the lease agreements and estimates of the fair market lease rates for the corresponding in-place leases measured over the remaining non-cancellable terms of the leases. The fair value measurements were based on significant inputs that are not observable in the market and thus represent Level 3 measurements as defined in the accounting standard for fair value measurements.

The fair value of the property, plant and equipment was estimated by applying the income approach or cost approach, such as cash flows or earnings that an asset can be expected to generate over its useful life or the replacement or reproduction cost.

For the three months ended March 31, 2017, the incremental revenues from the Paris IBX Data Center Acquisition were $3.9 million and the incremental net income was not significant to the Company's condensed consolidated statement of operations. The incremental results of operations from the Paris IBX Data Center Acquisition are not significant; therefore the Company does not present pro forma combined results of operations.

TelecityGroup Acquisition

On January 15, 2016, the Company completed the acquisition of the entire issued and to be issued share capital of TelecityGroup. TelecityGroup operates data center facilities in cities across Europe. The acquisition of TelecityGroup has enhanced the Company's existing data center portfolio by adding new IBX metro markets in Europe including Dublin, Helsinki, Istanbul, Manchester, Milan, Sofia, Stockholm and Warsaw. As a result of the transaction, TelecityGroup became a wholly-owned subsidiary of the Company.

Under the terms of the acquisition, the Company acquired all outstanding shares and all vested equity awards of TelecityGroup at 572.5 pence in cash and 0.0336 new shares of Equinix common stock for a total purchase consideration of approximately £2,624.5 million or approximately $3,743.6 million. In addition, the Company assumed $1.3 million of TelecityGroup's vested employee equity awards as part of consideration transferred. The Company incurred acquisition costs of approximately$42.5 million during the year ended December 31, 2016 related to the TelecityGroup acquisition.

In connection with the TelecityGroup acquisition, the Company placed £322.9 million or approximately $475.7 million into a restricted cash account. The cash was released upon completion of the acquisition.

Also, in connection with TelecityGroup acquisition, 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 for a principal amount of £875.0 million or approximately $1,289.0 million at the exchange rate in effect on December 31, 2015 (the "Bridge Loan"). The Company did not make any borrowings under the Bridge Loan and the Bridge Loan was terminated on January 8, 2016.

Purchase Price Allocation

Under the acquisition method of accounting, the assets acquired and liabilities assumed in a business combination shall be measured at fair value at the date of the acquisition and the Company has completed the valuation analysis. As of December 31, 2016, the Company updated the final allocation of purchase price for TelecityGroup from the provisional amounts reported as of March 31, 2016, which primarily resulted in increases to intangible assets of $36.8 million and deferred tax liabilities of$19.5 million and decreases in capital lease and other financing obligations of $34.4 million, goodwill of $22.5 million and assets held for sale of$36.9 million. The changes did not have a significant impact on the Company’s results from operations for the year ended December 31, 2016.

The final allocation of the purchase price is as follows (in thousands):

Cash and cash equivalents	$ 73,368
Accounts receivable	24,042
Other current assets	41,079
Assets held for sale	877,650
Property, plant and equipment	1,058,583
Goodwill	2,215,567
Intangible assets	694,243
Deferred tax assets	994
Other assets	4,102
Total assets acquired	4,989,628
Accounts payable and accrued expenses	(84,367)
Accrued property, plant and equipment	(3,634)
Other current liabilities	(27,333)
Liabilities held for sale	(155,650)
Capital lease and other financing obligations	(165,365)
Mortgage and loans payable	(592,304)
Deferred tax liabilities	(176,168)
Other liabilities	(40,021)
Net assets acquired	$ 3,744,786

The purchase price allocation above, as of the acquisition date, includes acquired assets and liabilities that were classified by the Company as held for sale (Note 4).

The following table presents certain information on the acquired intangible assets (dollars in thousands):

Intangible Assets		Fair Value	Estimated Useful Lives (Years)	Weighted-average Estimated Useful Lives (Years)
Customer relationships	$	591,956	13.5	13.5
Trade names		72,033	1.5	1.5
Favorable leases		30,254	2.0 - 25.4	19.7

The fair value of customer relationships was estimated by applying an income approach. The fair value was determined by calculating the present value of estimated future operating cash flows generated from existing customers less costs to realize the revenue. The Company applied a weighted-average discount rate of approximately 8.5%, which reflected the nature of the assets as they relate to the estimated future operating cash flows. Other significant assumptions used to estimate the fair value of the customer relationships include projected revenue growth, customer attrition rates, sales and marketing expenses and operating margins. The fair value of the TelecityGroup trade name was estimated using the relief of royalty approach. The Company applied a relief of royalty rate of 2.0% and a weighted-average discount rate of approximately 9.0%. The fair value of the other acquired identifiable intangible assets was estimated by applying a relief of royalty or cost approach as appropriate. The fair value measurements were based on significant inputs that are not observable in the market and thus represent Level 3 measurements as defined in the accounting standard for fair value measurements.

The fair value of the property, plant and equipment was estimated by applying the income approach or cost approach. The income approach is used to estimate fair value based on the income stream, such as cash flows or earnings that an asset can be expected to generate over its useful life. There are two primary methods of applying the income approach to determine the fair value of assets: the discounted cash flow method and the direct capitalization method. The key assumptions include the estimated earnings, discount rate and direct capitalization rate. The cost approach is to use the replacement or reproduction cost as an indicator of fair value. The premise of the cost approach is that a market participant would pay no more for an asset than the amount for which the asset could be replaced or reproduced. The key assumptions of the cost approach include replacement cost new, physical deterioration, functional and economic obsolescence, economic useful life, remaining useful life, age and effective age.

The Company determined the fair value of the loans payable assumed in the TelecityGroup acquisition by estimating TelecityGroup's debt rating and reviewing market data with a similar debt rating and other characteristics of the debt, including the maturity date and security type. On January 15, 2016, the Company prepaid and terminated these loans payable. In conjunction with the repayment of the loans payable, the Company incurred an insignificant amount of pre-payment penalties and interest rate swap termination costs, which were recorded as interest expense in the condensed consolidated statement of operations.

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the acquisition. The goodwill is not expected to be deductible for local tax purposes. Goodwill will not be amortized and will be tested for impairment at least annually. Goodwill recorded as a result of the TelecityGroup acquisition, except for the goodwill associated with assets held for sale, is attributable to the Company's EMEA region. For the three months ended March 31, 2016, the Company's results of continuing operations include TelecityGroup revenues of $84.4 million and net loss from continuing operations of $2.8 million for the period January 15, 2016 through March 31, 2016.

4. Assets Held for Sale

During the fourth quarter of 2015, the Company entered into an agreement to sell a parcel of land in San Jose, California. The sale was completed in February 2016 and the Company recognized a gain on sale of $5.2 million.

In June 2016, the Company approved the divestiture of the solar power assets of Bit-isle. In October 2016, the Company entered into a Share Transfer Agreement for the transfer of common stock of Terra Power Co., Ltd., relating to the divestiture of
the solar power assets of Bit-isle. The Company received ¥400.0 million upon the closing of the transaction, or approximately $3.8 million at the exchange rate in effect on October 31, 2016. By November 30, 2016, the Company had received an additional

¥2,500.0 million, or approximately $22.1 million at the exchange rate in effect at the time of cash receipt. The Company received the remaining payment of ¥5,313.4 million in the first quarter of 2017, or approximately $47.8 million at the exchange rate in effect on March 31, 2017. The Company did not have any assets and liabilities held for sale as of March 31, 2017 and December 31, 2016.

5. Discontinued Operations

In order to obtain the approval of the European Commission for the acquisition of TelecityGroup, the Company and TelecityGroup agreed to divest certain data centers, including the Company's London 2 data center and certain data centers of TelecityGroup. The data centers, on acquisition, met the criteria to be classified as held for sale and were therefore reported as a discontinued operation. As of the date of acquisition, depreciation and amortization of discontinued operations were ceased. Capital expenditures from the date of acquisition through March 31, 2016 were $17.0 million.

The Company did not record income from discontinued operations, net of taxes for the three months ended March 31, 2017. The following table presents the financial results of the Company's discontinued operations for the three months ended March 31, 2016.

	Three Months Ended March 31, 2016
Revenues	$ 20,581
Costs and operating expenses:	
Cost of revenues	11,610
Sales and marketing	217
General and administrative	383
Total costs and operating expenses	12,210
Income from discontinued operations	8,371
Interest and other, net	(469)
Income from discontinued operations before income taxes	7,902
Income tax expense	(1,686)
Net income from discontinued operations, net of tax	$ 6,216

6. Derivatives and Hedging Activities

Derivatives Designated as Hedging Instruments

Net Investment Hedges. The Company is exposed to the impact of foreign exchange rate fluctuations on the value of investments in its foreign subsidiaries. In order to mitigate the impact of foreign currency exchange rates, the Company has entered into various foreign currency loans which are designated as hedges against the Company's net investment in foreign subsidiaries. As of March 31, 2017 and December 31, 2016, the total principal amounts of foreign currency loans, which were designated as net investment hedges, were $1,712.0 million and $646.2 million, respectively. In March 2016, the Company began using foreign exchange forward contracts to hedge against the effect of foreign exchange rate fluctuations on a portion of its net investment in the foreign subsidiaries. For a net investment hedge, changes in the fair value of the hedging instrument designated as a net investment hedge, except the ineffective portion and forward points, are recorded as a component of other comprehensive income in the condensed consolidated balance sheet.

The Company recorded net foreign exchange losses of $28.6 million and $16.3 million in other comprehensive income (loss) for the three months ended March 31, 2017 and 2016, respectively. The Company recorded no ineffectiveness from its net investment hedges for the three months ended March 31, 2017 and 2016.

Cash Flow Hedges. The Company hedges its foreign currency translation exposure for forecasted revenues and expenses in its EMEA region between the U.S. dollar and the British Pound, Euro, Swedish Krona and Swiss Franc. The foreign currency forward and option contracts that the Company uses to hedge this exposure are designated as cash flow hedges under the accounting standard for derivatives and hedging. The Company also uses purchased collar options to manage a portion of its exposure to foreign currency exchange rate fluctuations, where the Company writes a foreign currency call option and purchases a foreign currency put option. When two or more derivative instruments in combination are jointly designated as a cash flow hedging instrument, they are treated as a single instrument.

The Company enters into intercompany hedging instruments ("intercompany derivatives") with wholly-owned subsidiaries of the Company in order to hedge certain forecasted revenues and expenses denominated in currencies other than the U.S. dollar. Simultaneously, the Company enters into derivative contracts with unrelated third parties to externally hedge the net exposure created by such intercompany derivatives.

The following disclosure is prepared on a consolidated basis. Assets and liabilities resulting from intercompany derivatives have been eliminated in consolidation. As of March 31, 2017, the Company's cash flow hedge instruments had maturity dates ranging from April 2017 to February 2019 as follows (in thousands):

	Notional Amount	Fair Value [1]	Accumulated Other Comprehensive Income (Loss) [2] [3]
Derivative assets	$ 483,110	$ 30,350	$ 27,744
Derivative liabilities	176,432	(2,315)	(2,340)
Total	$ 659,542	$ 28,035	$ 25,404

(1) All derivatives 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 $23.0 million 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, 2016, the Company's cash flow hedge instruments had maturity dates ranging from January 2017 to November 2018 as follows (in thousands):

	Notional Amount	Fair Value [1]	Accumulated Other Comprehensive Income (Loss) [2] [3]
Derivative assets	$ 545,638	$ 44,570	$ 42,634
Derivative liabilities	42,207	(1,815)	(1,453)
Total	$ 587,845	$ 42,755	$ 41,181

(1) All derivatives 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 $31.9 million within accumulated other comprehensive income (loss) relating to cash flow hedges that will be reclassified to revenue and expense as they mature over the next 12 months.

During the three months ended March 31, 2017 and 2016, the ineffective and excluded portions of cash flow hedges recognized in other income (expense) were not significant. During the three months ended March 31, 2017, the amount of net gains reclassified from accumulated other comprehensive income (loss) to revenue was $17.7 million and the amount of net losses reclassified from accumulated other comprehensive income (loss) to operating expenses was $9.0 million. During the three months ended March 31, 2016, the amount of net gains reclassified from accumulated other comprehensive income (loss) to revenue was $6.4 million and the amount of net losses reclassified from accumulated other comprehensive income (loss) to operating expenses was $3.8 million.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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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 March 31, 2017, the loss associated with these embedded derivatives was $5.0 million and during the three months ended March 31, 2016, the loss associated with these embedded derivatives was $6.6 million.

Economic Hedges of Embedded Derivatives. The Company uses foreign currency forward contracts to manage the foreign exchange risk associated with the Company's customer agreements that are priced in currencies different from the functional or local currencies of the parties involved ("economic hedges of embedded derivatives"). Foreign currency forward contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date. Gains and losses on these contracts are included within revenues in the Company's condensed consolidated statements of operations along with gains and losses of the related embedded derivatives. The Company entered into various economic hedges of embedded derivatives during the three months ended March 31, 2017 and 2016. During the three months ended March 31, 2017, the gains associated with these contracts were not significant and during the three months ended March 31, 2016, the gains associated with these contracts were $3.7 million.

Foreign Currency Forward and Option Contracts. The Company also uses foreign currency forward and option 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 its foreign currency-denominated assets and liabilities change. Gains and losses on these contracts are included in other income (expense), net in the Company's condensed consolidated statements of operations, along with foreign currency gains and losses of the related foreign currency-denominated assets and liabilities associated with these foreign currency forward and option contracts. The Company entered into various foreign currency forward and option contracts during the three months ended March 31, 2017 and 2016. During the three months ended March 31, 2017 and 2016, the Company recognized net losses of $14.7 million and $7.6 million, respectively, associated with these contracts.

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 March 31, 2017 (in thousands):

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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	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 and option contracts designated as cash flow hedges	$ 30,350	$ —	$ 30,350	$ (2,315)	$ 28,035
Not designated as hedging instruments:					
Embedded derivatives	6,196	—	6,196	—	6,196
Economic hedges of embedded derivatives	257	—	257	(16)	241
Foreign currency forward contracts	5,175	—	5,175	(156)	5,019
	11,628	—	11,628	(172)	11,456
Additional netting benefit	—	—	—	(113)	(113)
	$ 41,978	$ —	$ 41,978	$ (2,600)	$ 39,378
Liabilities:					
Designated as hedging instruments					
Foreign currency forward contracts designated as cash flow hedges	$ 2,315	$ —	$ 2,315	$ (2,315)	$ —
Not designated as hedging instruments:					
Embedded derivatives	2,755	—	2,755	—	2,755
Economic hedges of embedded derivatives	16	—	16	(16)	—
Foreign currency forward contracts	269	—	269	(156)	113
	3,040	—	3,040	(172)	2,868
Additional netting benefit	—	—	—	(113)	(113)
	$ 5,355	$ —	$ 5,355	$ (2,600)	$ 2,755

(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)
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The following table presents the fair value of derivative instruments recognized in the Company's condensed consolidated balance sheets as ofDecember 31, 2016 (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:					
Cash flow hedges					
Foreign currency forward and option contracts	$ 44,570	$ —	$ 44,570	$ (1,815)	$ 42,755
Net investment hedges					
Foreign currency forward contracts	6,930	—	6,930	(3,310)	3,620
	51,500	—	51,500	(5,125)	46,375
Not designated as hedging instruments:					
Embedded derivatives	9,745	—	9,745	—	9,745
Foreign currency forward contracts	8,734	—	8,734	(1,873)	6,861
	18,479	—	18,479	(1,873)	16,606
Additional netting benefit	—	—	—	(2,436)	(2,436)
	$ 69,979	$ —	$ 69,979	$ (9,434)	$ 60,545
Liabilities:					
Designated as hedging instruments:					
Cash flow hedges					
Foreign currency forward and option contracts	$ 1,815	$ —	$ 1,815	$ (1,815)	$ —
Net investment hedges					
Foreign currency forward contracts	3,525	—	3,525	(3,310)	215
	5,340	—	5,340	(5,125)	215
Not designated as hedging instruments:					
Embedded derivatives	1,525	—	1,525	—	1,525
Economic hedges of embedded derivatives	866	—	866	—	866
Foreign currency forward contracts	3,228	—	3,228	(1,873)	1,355
	5,619	—	5,619	(1,873)	3,746
Additional netting benefit	—	—	—	(2,436)	(2,436)
	$ 10,959	$ —	$ 10,959	$ (9,434)	$ 1,525

(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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7. Fair Value Measurements

Cash, Cash Equivalents and Investments. The fair value of the Company's investments in money market funds approximates their face value. Such instruments are included in cash equivalents. The Company's money market funds and publicly traded equity securities are classified within Level 1 of the fair value hierarchy because they are valued using quoted prices for identical instruments in active markets. The fair value of the Company's other investments approximate their face value and include certificates of deposit. The fair value of these investments is priced based on the quoted market price for similar instruments or nonbinding market prices that are corroborated by observable market data. Such instruments are classified within Level 2 of the fair value hierarchy. The Company determines the fair values of its Level 2 investments by using inputs such as actual trade data, benchmark yields, broker/dealer quotes, and other similar data, which are obtained from quoted market prices, custody bank, third-party pricing vendors, or other sources. The Company uses such pricing data as the primary input to make its assessments and determinations as to the ultimate valuation of its investment portfolio and has not made, during the periods presented, any material adjustments to such inputs. The Company is responsible for its condensed consolidated financial statements and underlying estimates.

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

The Company's financial assets and liabilities measured at fair value on a recurring basis as ofMarch 31, 2017 were as follows (in thousands):

	Fair Value at March 31, 2017	Fair Value Measurement Using	
		Level 1	Level 2
Assets:			
Cash	$ 2,005,012	$ 2,005,012	$ —
Money market and deposit accounts	2,915,170	2,915,170	—
Publicly traded equity securities	6,461	6,461	—
Certificates of deposit	17,819	—	17,819
Derivative instruments (1)	41,978	—	41,978
Total	$ 4,986,440	$ 4,926,643	$ 59,797
Liabilities:			
Derivative instruments (1)	$ 5,355	$ —	$ 5,355
Total	$ 5,355	$ —	$ 5,355

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

The Company's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2016 were as follows (in thousands):

	Fair Value at December 31, 2016	Fair Value Measurement Using	
		Level 1	Level 2
Assets:			
Cash	$ 345,119	$ 345,119	$ —
Money market and deposit accounts	400,388	400,388	—
Publicly traded equity securities	6,463	6,463	—
Certificates of deposit	9,957	—	9,957
Derivative instruments [(1)]	69,979	—	69,979
Total	$ 831,906	$ 751,970	$ 79,936
Liabilities:			
Derivative instruments [(1)]	$ 10,959	$ —	$ 10,959
Total	$ 10,959	$ —	$ 10,959

(1) Includes both foreign currency embedded derivatives and foreign currency forward and option 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.

The Company did not have any Level 3 financial assets or financial liabilities as of March 31, 2017 and December 31, 2016.

8. Leases

Capital Lease and Other Financing Obligations

Hong Kong 5 ("HK5")

In January 2017, the Company entered into an agreement for certain elements of the construction of the Company's fifth data center in Hong Kong ("HK5"). The terms of the construction agreement triggered the Company to be, in substance, the owner of the asset during the construction phase. Additionally, the Company believes that it will likely fail the sales lease back test due to its continued involvement and therefore has accounted for the construction and related agreements as a build to suit arrangement. As of March 31, 2017, the Company recorded a financing liability totaling approximately 516.4 million in Hong Kong dollars, or $66.4 million at the exchange rate in effect as of March 31, 2017.

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
2017 (9 months remaining)	$ 62,824	$ 63,110	$ 125,934
2018	83,910	86,813	170,723
2019	84,686	81,333	166,019
2020	84,714	80,524	165,238
2021	84,950	81,871	166,821
Thereafter	836,023	939,125	1,775,148
Total minimum lease payments	1,237,107	1,332,776	2,569,883
Plus amount representing residual property value	—	561,089	561,089
Less amount representing interest	(540,729)	(967,732)	(1,508,461)
Present value of net minimum lease payments	696,378	926,133	1,622,511
Less current portion	(28,031)	(71,171)	(99,202)
Total	$ 668,347	$ 854,962	$ 1,523,309

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

9. Debt Facilities

Mortgage and Loans Payable

As of March 31, 2017 and December 31, 2016, the Company's mortgage and loans payable consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
Term loans	$ 2,502,063	$ 1,413,582
Mortgage payable and loans payable	44,871	44,382
	2,546,934	1,457,964
Less amount representing debt discount and debt issuance cost	(35,399)	(22,811)
Add the amount representing mortgage premium	1,874	1,862
	2,513,409	1,437,015
Less current portion	(80,799)	(67,928)
Total	$ 2,432,610	$ 1,369,087

On December 22, 2016, the Company, as borrower, and certain subsidiaries as guarantors, entered into a third amendment (the "Third Amendment") to the Senior Credit Facility. Pursuant to the Third Amendment, (i) the Company may borrow up to €1,000.0 million in additional term B loan (the "Term B-2 Loan"), (ii) the interest rate margin applicable to the existing Term Loan B (the "Term Loan B-1 Facility") in U.S. Dollars was reduced from 3.25% to 2.50% and the LIBOR floor applicable to such loans was reduced from 0.75% to zero and (iii) the interest rate margin applicable to the loans borrowed under the Term Loan B-1 Facility in Pounds Sterling was reduced from 3.75% to 3.00%, with no change to the existing LIBOR floor of 0.75% applicable to such loans.

On January 6, 2017, the Company borrowed the full amount of the Term B-2 Loan of €1,000.0 million, or approximately $1,059.8 million and recorded debt issuance cost of €13.0 million, or approximately $13.8 million at the exchange rate in effect on January 6, 2017. The Term B-2 Loan will bear interest at an index rate based on EURIBOR plus a margin of 3.25%. No original issue discount is applicable to the Term B-2 Loan. The Term B-2 Loan must be repaid in equal quarterly installments of 0.25% of the original principal amount of the Term B-2 Loan starting in the second quarter of 2017, with the remaining amount outstanding to be repaid in full on the seventh anniversary of the funding date of the Term B-2 Loan. As of March 31, 2017, the Company had a €1,000.0 million outstanding term loan balance, or a total of approximately $1,068.6 million at the exchange rate in effect on March 31, 2017, under the Term B-2 Loan commitment. Debt issuance costs related to the Term B-2 Loan, net of amortization, were €12.5 million or $13.3 million.

Senior Notes

As of March 31, 2017 and December 31, 2016, the Company's senior notes consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
4.875% Senior Notes due 2020	$ 500,000	$ 500,000
5.375% Senior Notes due 2022	750,000	750,000
5.375% Senior Notes due 2023	1,000,000	1,000,000
5.750% Senior Notes due 2025	500,000	500,000
5.875% Senior Notes due 2026	1,100,000	1,100,000
5.375% Senior Notes due 2027	1,250,000	—
	5,100,000	3,850,000
Less amount representing debt issuance cost	(54,551)	(39,230)
Total	$ 5,045,449	$ 3,810,770

2027 Senior Notes

In March 2017, the Company issued $1,250.0 million aggregate principal amount of 5.375% senior notes due May 15, 2027, which are referred to as the "2027 Senior Notes." Interest on the notes is payable semi-annually in arrears on May 15 and November 15 of each year, commencing on May 15, 2017. Debt issuance costs related to the 2027 Senior Notes were $16.9 million.

The 2027 Senior Notes are unsecured and rank equal in right of payment to the Company's existing or future senior indebtedness and senior in right of payment to the Company's existing and future subordinated indebtedness. The senior notes are effectively subordinated to all of the existing and future secured debt, including debt outstanding under any bank facility or secured by any mortgage, to the extent of the assets securing such debt. They are also structurally subordinated to any existing and future indebtedness and other liabilities (including trade payables) of any of the Company's subsidiaries.

The 2027 Senior Notes are governed by a supplemental indenture to the indenture between the Company and U.S. Bank National Association, as trustee, that also governs the Company's 5.875% Senior Notes due 2026, 5.375% Senior Notes due 2022, and 5.750% Senior Notes due 2025. The supplemental indenture contains covenants that limit the Company's ability and the ability of its subsidiaries to, among other things:

- incur additional debt;
- pay dividends or make other restricted payments;
- purchase, redeem or retire capital stock or subordinated debt;
- make asset sales;
- enter into transactions with affiliates;
- incur liens;
- enter into sale-leaseback transactions;
- provide subsidiary guarantees;
- make investments; and
- merge or consolidate with any other person.

The 2027 Senior Notes also provide for optional redemption. At any time prior to May 15, 2020, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 2027 Senior Notes (calculated giving effect to any issuance of additional notes of such series) outstanding under the 2027 Senior Notes indenture, at a redemption price equal to 105.375% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings, provided that (i) at least 65% of the aggregate principal amount of the 2027 Senior Notes (calculated giving effect to any issuance of additional notes) issued under the 2027 indenture remains outstanding immediately after the occurrence of such redemption and (ii) the redemption must occur within 90 days of the date of the closing of such equity offering.

On or after May 15, 2022, the Company may redeem all or a part of the 2027 Senior Notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning May 15 of the years indicated below:

	Redemption Price of the 2027 Notes
2022	102.688%
2023	101.792%
2024	100.896%
2025 and thereafter	100.000%

In addition, at any time prior to May 15, 2022, the Company may also redeem all or a part of the 2027 Senior Notes at a redemption price equal to 100% of the principal amount of 2027 Senior Notes redeemed plus the applicable premium (the "2027 Senior Notes Applicable Premium") as of, and accrued and unpaid interest, if any, to, but not including, the date of the redemption, subject to the rights of the holders of record of 2027 Senior Notes on the relevant record date to receive interest due on the relevant interest payment date. The 2027 Senior Notes Applicable Premium is defined as the greater of:

- 1.0% of the principal amount of the 2027 Senior Notes; and
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 2027 Senior Notes at May 15, 2022 (such redemption price as shown in the table above), plus (ii) all required interest payments due on the 2027 Senior Notes through May 15, 2022 (excluding accrued but unpaid interest, if any, to, but not including, the redemption date) computed using a discount rate equal to the treasury rate as of such redemption date plus 50 basis points; over (b) the principal amount of the 2027 Senior Notes, if greater.

As of March 31, 2017, debt issuance costs related to the 2027 Senior Notes, net of amortization, were $16.8 million.

Maturities of Debt Facilities

The following table sets forth maturities of the Company's debt, including mortgage and loans payable, and senior notes, gross of debt issuance costs and debt discounts, as of March 31, 2017 (in thousands):

Years ending:	
2017 (9 months remaining)	$ 60,587
2018	80,859
2019	367,888
2020	542,785
2021	357,532
Thereafter	6,239,157
Total	$ 7,648,808

Fair Value of Debt Facilities

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

	March 31, 2017	December 31, 2016
Mortgage and loans payable	$ 2,561,314	$ 1,461,954
Senior notes	5,341,782	4,033,985

The fair value of the mortgage and loans payable, which are not publicly traded, was estimated by considering the Company's credit rating, current rates available to the Company for debt of the same remaining maturities and terms of the debt (Level 2). The fair value of the senior notes, which are traded in the public debt market, was based on quoted market prices (Level 1).

Interest Charges

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

	Three Months Ended March 31,	
	2017	2016
Interest expense	$ 111,684	$ 100,863
Interest capitalized	6,400	2,286
Interest charges incurred	$ 118,084	$ 103,149

Total interest paid, net of capitalized interest, during the three months endedMarch 31, 2017 and 2016 was $109.0 million and $71.8 million, respectively.

10. Commitments and Contingencies

Purchase Commitments

Primarily as a result of the Company's various IBX expansion projects, as ofMarch 31, 2017, the Company was contractually committed for $415.4 million of unaccrued capital expenditures, primarily for IBX infrastructure 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 March 31, 2017, such as commitments to purchase power in select locations through the remainder of 2017 and thereafter, and other open purchase orders for goods or services to be delivered or provided during the remainder of 2017 and thereafter. Such other miscellaneous purchase commitments totaled $648.6 million as of March 31, 2017.

Contingent Liabilities

The Company estimates exposure on certain liabilities, such as indirect and property taxes, based on the best information available at the time of determination. With respect to real and personal property taxes, the Company records what it can reasonably estimate based on prior payment history, current landlord estimates or estimates based on current or changing fixed asset values in each specific municipality, as applicable. However, there are circumstances beyond the Company's control whereby the underlying value of the property or basis for which the tax is calculated on the property may change, such as a landlord selling the underlying property of one of the Company's IBX data center leases or a municipality changing the assessment value in a jurisdiction and, as a result, the Company's property tax obligations may vary from period to period. Based upon the most current facts and circumstances, the Company makes the necessary property tax accruals for each of its reporting periods. However, revisions in the Company's estimates of the potential or actual liability could materially impact its financial position, results of operations or cash flows.

The Company's indirect and property tax filings in various jurisdictions are subject to examination by local tax authorities. The outcome of any examinations cannot be predicted with certainty. The Company regularly assesses the likelihood of adverse outcomes resulting from these examinations that would affect the adequacy of its tax accruals for each of the reporting periods. If any issues arising from the tax examinations are resolved in a manner inconsistent with the Company's expectations, the revision of the estimates of the potential or actual liabilities could materially impact its financial position, results of operations, or cash flows.

11. Stockholders' Equity

Accumulated Other Comprehensive Loss

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

	Balance as of December 31, 2016	Net Change	Balance as of March 31, 2017
Foreign currency translation adjustment ("CTA") gain (loss)	$ (1,031,129)	$ 106,938	$ (924,191)
Unrealized gain (loss) on cash flow hedges [1]	30,704	(11,727)	18,977
Unrealized gain (loss) on available-for-sale securities [2]	2,110	(265)	1,845
Net investment hedge CTA gain (loss)	49,989	(28,551)	21,438
Net actuarial gain (loss) on defined benefit plans [3]	(816)	11	(805)
Total	$ (949,142)	$ 66,406	$ (882,736)

(1) Refer to Note 6 for a discussion of the amounts reclassified from accumulated other comprehensive income (loss) to net income (loss).

(2) There weren't any realized gains and losses that were reclassified from accumulated other comprehensive income (loss) to net income (loss) for the three months ended March 31, 2017.

(3) The Company has a defined benefit pension plan covering all employees in one country where such plans are mandated by law. The Company does not have any defined benefit plans in any other countries. The unamortized gain (loss) on defined benefit plans includes gains or losses resulting from a change in the value of either the projected benefit obligation or the plan assets resulting from a change in an actuarial assumption, net of amortization.

Changes in foreign currency exchange rates can have a significant impact to the Company's condensed consolidated balance sheets (as evidenced above in the Company's foreign currency translation gain or loss), as well as its condensed consolidated results of operations, as amounts in foreign currencies generally translate into more U.S. dollars when the U.S. dollar weakens or less U.S. dollars when the U.S. dollar strengthens. As of March 31, 2017, the U.S. dollar was generally weaker relative to certain of the currencies of the foreign countries in which the Company operates. This overall weakening of the U.S. dollar had an overall favorable impact on the Company's condensed consolidated financial position because the foreign denominations translated into more U.S. dollars as evidenced by an increase in foreign currency translation gain for the three months ended March 31, 2017 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 condensed consolidated financial position and results of operations including the amount of revenue that the Company reports in future periods.

Common Stock

In March 2017, the Company issued and sold 6,069,444 shares of its common stock in a public offering pursuant to a registration statement and a related prospectus and prospectus supplement, in each case filed with the SEC. The shares issued and sold included the full exercise of the underwriters' option to purchase 791,666 additional shares. The Company received net proceeds of approximately $2,126.3 million, after deducting underwriting discounts and commissions of $57.9 million and estimated offering expenses of $0.8 million.

Dividends

On February 15, 2017, the Company declared a quarterly cash dividend of $2.00 per share, with a record date of February 27, 2017 and a payment date of March 22, 2017. During the three months ended March 31, 2017, the Company paid a total of $148.1 million. In addition, the Company accrued an additional $2.6 million in dividends payable for restricted stock units that have not yet vested.

Stock-Based Compensation

In the first quarter of 2017, the Compensation Committee and the Stock Award Committee of the Company's Board of Directors approved the issuance of an aggregate of 511,508 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 $367.22 and a weighted-average requisite service period of 3.48 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. 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 2017.

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 2017 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 March 31,	
	2017	2016
Cost of revenues	$ 2,911	$ 2,997
Sales and marketing	10,972	9,771
General and administrative	24,440	21,747
Total	$ 38,323	$ 34,515

12. Segment Information

While the Company has a single line of business, which is the design, build-out and operation of IBX data centers, it has determined that it has three reportable segments comprised of its Americas, EMEA and Asia-Pacific geographic regions. The Company's chief operating decision-maker evaluates performance, makes operating decisions and allocates resources based on the Company's revenue and adjusted EBITDA performance both on a consolidated basis and based on these three reportable segments. The Company defines adjusted EBITDA as income from operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges, acquisition costs and gains on asset sales as presented below (in thousands):

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Adjusted EBITDA:		
Americas	$ 198,619	$ 184,460
EMEA	129,554	111,489
Asia-Pacific	99,401	84,701
Total adjusted EBITDA	427,574	380,650
Depreciation, amortization and accretion expense	(219,013)	(202,153)
Stock-based compensation expense	(38,323)	(34,515)
Acquisition costs	(3,025)	(36,536)
Gains on asset sales	—	5,242
Income from operations	$ 167,213	$ 112,688

The Company also provides the following additional segment disclosures (in thousands):

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenues:		
Americas	$ 436,447	$ 404,394
EMEA	314,847	267,856
Asia-Pacific	198,231	171,906
Total	$ 949,525	$ 844,156
Depreciation and amortization:		
Americas	$ 87,927	$ 76,259
EMEA	76,168	76,050
Asia-Pacific	52,911	48,225
Total	$ 217,006	$ 200,534
Capital expenditures:		
Americas	$ 153,435	$ 83,499
EMEA	83,584	57,273
Asia-Pacific	40,223	56,928
Total	$ 277,242	$ 197,700

EQUINIX, INC.

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

The Company's long-lived assets are located in the following geographic areas and total assets by segments are as follows (in thousands):

	March 31, 2017	December 31, 2016
Americas	$ 3,452,704	$ 3,339,518
EMEA	2,521,418	2,355,943
Asia-Pacific	1,631,707	1,503,749
Total long-lived assets	$ 7,605,829	$ 7,199,210

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

	Three Months Ended March 31,	
	2017	2016
Colocation	$ 691,522	$ 618,395
Interconnection	148,060	125,587
Managed infrastructure	54,609	50,310
Other	4,249	2,328
Recurring revenues	898,440	796,620
Non-recurring revenues	51,085	47,536
Total	$ 949,525	$ 844,156

No single customer accounted for 10% or greater of the Company's revenues for the three months endedMarch 31, 2017 and 2016. No single customer accounted for 10% or greater of the Company's gross accounts receivable as of March 31, 2017 and December 31, 2016.

13. Subsequent Events

On April 26, 2017, the Company declared a quarterly cash dividend of$2.00 per share, which is payable on June 21, 2017 to the Company's common stockholders of record as of the close of business on May 24, 2017.

On May 1, 2017, the Company completed the previously announced acquisition of Verizon's colocation service business consisting of29 data center buildings, for a cash purchase price of approximately $3.6 billion. The operating results of the Selected Verizon Data Center Business Acquisition will be reported in the Americas region following the date of acquisition. The purchase price allocation for the acquisition is not yet complete. As a result, the fair value of assets acquired and liabilities assumed are still being appraised by a third-party and have not yet been finalized.

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 March 2017, as more fully described in Note 11 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we issued and sold 6,069,444 shares of our common stock in a public offering. We received net proceeds of approximately $2.13 billion, after deducting underwriting discounts, commissions and offering expenses.

In March 2017, as more fully described in Note 9 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we issued $1.25 billion aggregate principal amount of 5.375% senior notes due May 15, 2027 (the "2027 Senior Notes") and recorded debt issuance cost of $16.9 million.

In February 2017, 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 acquired IO UK's data center operating business in Slough, United Kingdom, for a cash payment of approximately $37.4 million (the "IO Acquisition"). The acquired facility will be renamed LD10. The IO Acquisition was accounted for using the acquisition method. The fair value of the assets acquired and liabilities assumed are currently being appraised by a third-party. The valuation and purchase accounting of this acquisition have not yet been finalized as of March 31, 2017.

In January 2017, as more fully described in Note 9 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we borrowed the full amount of the Term B-2 Loan of €1.0 billion or approximately $1.1 billion in U.S. dollars at the exchange rate in effect on January 6, 2017.

In December 2016, as more fully described in Note 3 and Note 13 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we entered into a transaction agreement with Verizon Communications Inc. ("Verizon") to acquire Verizon's colocation services business consisting of 29 data center buildings, located in the United States, Brazil and Colombia, for a cash purchase price of approximately $3.6 billion (the "Selected Verizon Data Center Business Acquisition" or the "Acquisition"). This acquisition closed in May 2017 and we funded this acquisition with proceeds of debt and equity financings in January and March 2017 as discussed above. The fair value of the assets acquired and liabilities assumed are currently being appraised by a third-party. The valuation and purchase accounting of this acquisition have not yet been completed and finalized as of March 31, 2017.

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 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. The Selected Verizon Data Center Business Acquisition expanded the Company's total global footprint to 179 IBX data centers across 44 markets around the world. Equinix offers the following solutions: (i) premium data center colocation, (ii) interconnection and (iii) exchange and outsourced IT infrastructure services. As of March 31, 2017, 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; Bulgaria, Finland, France, Germany, Ireland, Italy, the Netherlands, Poland, Sweden, Switzerland, Turkey, 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 44 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 22 countries with proven operational reliability, improved application performance and network choice, and a highly scalable set of offerings.

Our utilization rate was approximately 79% as of March 31, 2017 and 80% as of March 31, 2016; however, excluding the impact of our IBX data center expansion projects that have opened during the last 12 months, our utilization rate, excluding the acquisitions, would have increased to approximately 84% as of March 31, 2017. 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 March 31, 2017 and 2016, our largest customer accounted for approximately 3% of our recurring revenues. Our 50 largest customers accounted for approximately 36% of our recurring revenues for the three months ended March 31, 2017 and 2016.

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.

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.

We expect our cost of revenues, sales and marketing expenses and general and administrative expenses to grow in absolute dollars in connection with our business growth. We may periodically see a higher cost of revenues as a percentage of revenue, 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. 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.

Taxation as a REIT

We elected to be taxed as a real estate investment trust for federal income tax purposes ("REIT") beginning with our 2015 taxable year. As of March 31, 2017, our REIT structure includes all of our data center operations in the U.S., Canada, and Japan, our historical data center operations in Europe and the majority of the data center operations acquired in the acquisition of Telecity Group plc (the "TelecityGroup Acquisition"). We plan to complete the REIT integration of the remaining TelecityGroup business during the second half of 2017 with an exception of the businesses in Turkey and Bulgaria. Our data center operations in other jurisdictions are operated as taxable REIT subsidiaries ("TRSs").

As a REIT, we generally are permitted to deduct from our U.S. federal taxable income the dividends we pay to our stockholders. The income represented by such dividends payment is not subject to U.S. federal income tax 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 is 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 gain recognized from a sale of a REIT asset where our basis in the asset is determined by reference to the basis of the asset in the hands of a C corporation (such as (i) an asset that we held as of the effective date of our REIT election, that is, January 1, 2015, or (ii) an asset that we or a QRS hold following the liquidation or other conversion of a former TRS). This built-in-gains tax is generally applicable to any disposition of such an asset during the five-year period after the date we first owned the asset as a REIT asset (e.g. January 1, 2015 in the case of REIT assets we held at the time of our REIT conversion), to the extent of the built-in-gain based on the fair market value of such asset on the date we first held the asset as a REIT asset. If we fail to remain qualified for U.S. federal income taxation as a REIT, we will be subject to federal income tax at regular corporate tax rates. Even if we remain qualified for U.S. federal income 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.

On March 22, 2017 we paid a quarterly cash dividend of $2.00 per share and on April 26, 2017 we declared a quarterly cash dividend of $2.00, payable on June 21, 2017 to stockholders of record on May 24, 2017. We expect the amount of all 2017 quarterly distributions and other applicable distributions to equal or exceed the taxable income to be recognized in 2017.

We continue to monitor our REIT compliance in order to maintain our qualification for U.S. federal income taxation as a REIT. For this and other reasons, as necessary we may convert certain of our data center operations in additional countries into the REIT structure in future periods.

Results of Operations

Our results of operations for the three months ended March 31, 2017 include the results of operations of the Paris IBX data center acquisition (the "Paris IBX Data Center Acquisition") from January 1, 2017 and the IO UK data center operating business from February 3, 2017. Our results of operations for the three months ended March 31, 2016 include the results of operations of TelecityGroup from January 16, 2016.

Discontinued Operations

We present the results of operations associated with the TelecityGroup data centers that were divested in July 2016 as discontinued operations in our condensed consolidated statement of operations for the three months ended March 31, 2016. We did not have any discontinued operations activity during the three months ended March 31, 2017.

Three Months Ended March 31, 2017 and 2016

Revenues. Our revenues for the three months ended March 31, 2017 and 2016 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Three Months Ended March 31,				% Change	
	2017	%	2016	%	Actual	Constant Currency
Americas:						
Recurring revenues	$ 416,103	44%	$ 380,156	45%	9 %	8 %
Non-recurring revenues	20,344	2%	24,238	3%	(16)%	(17)%
	436,447	46%	404,394	48%	8 %	6 %
EMEA:						
Recurring revenues	296,607	31%	253,381	30%	17 %	25 %
Non-recurring revenues	18,240	2%	14,475	2%	26 %	34 %
	314,847	33%	267,856	32%	18 %	25 %
Asia-Pacific:						
Recurring revenues	185,730	20%	163,083	19%	14 %	13 %
Non-recurring revenues	12,501	1%	8,823	1%	42 %	40 %
	198,231	21%	171,906	20%	15 %	15 %
Total:						
Recurring revenues	898,440	95%	796,620	94%	13 %	14 %
Non-recurring revenues	51,085	5%	47,536	6%	7 %	10 %
	$ 949,525	100%	$ 844,156	100%	12 %	14 %

Americas Revenues. Our revenues from the U.S., the largest revenue contributor in the Americas region for the period, represented approximately 91% and 93%, respectively, of the regional revenues during the three months ended March 31, 2017 and 2016. Growth in Americas revenues was primarily due to (i) approximately $6.2 million of revenue generated from our recently-opened IBX data centers or IBX data center expansions in the Chicago, New York, Sao Paulo, Silicon Valley 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 March 31, 2017, the U.S. dollar was generally weaker relative to the Canadian dollar and Brazilian real than during the three months ended March 31, 2016, resulting in approximately $6.3 million of favorable foreign currency impact on our Americas revenues during the three months ended March 31, 2017 compared to average exchange rates during the three months ended March 31, 2016. We expect our Americas revenue will continue to grow as a result of the Selected Verizon Data Center Business Acquisition which closed on May 1, 2017.

EMEA Revenues. Revenues for our EMEA region for the three months ended March 31, 2017 included approximately $21.8 million of revenues attributable to the first 15 days of 2017 resulting from the TelecityGroup Acquisition that closed on January 15, 2016, the Paris IBX Data Center Acquisition, which closed in August 2016, and the IO Acquisition, which closed on February 3, 2017. Our revenues from UK, the largest revenue contributor in the EMEA region for the period, represented approximately 29% and 34%, respectively, of the regional revenues during the three months ended March 31, 2017 and 2016. Excluding revenues attributable to the Paris IBX Data Center Acquisition, the IO Acquisition and the first 15 days of 2017 resulting from the TelecityGroup Acquisition, our EMEA revenue growth was primarily due to (i) approximately $21.7 million of revenue from our recently-opened IBX data centers or IBX data center expansions in the Amsterdam, Dublin, Frankfurt, Helsinki, and London metro areas and (ii) an increase in orders from both our existing customers and new customers during the period. During the three months ended March 31, 2017, the impact of foreign currency fluctuations resulted in approximately $21.3 million of net unfavorable foreign currency impact to our EMEA revenues primarily due to a generally stronger U.S. dollar relative to the British pound during the three months ended March 31, 2017 compared to the three months ended March 31, 2016.

Asia-Pacific Revenues. Our revenues from Japan, the largest revenue contributor in the Asia-Pacific region for the period, represented approximately 34% of the regional revenues during both the three months ended March 31, 2017 and 2016. Our Asia-Pacific revenue growth was primarily due to (i) approximately $14.8 million of revenue generated from our recently-opened IBX data center expansions in the Hong Kong, Melbourne, Shanghai, Osaka, Sydney and Tokyo metro areas and (ii) an increase in orders from both our existing customers and new customers during the period. The impact of foreign currency fluctuations on our Asia-Pacific revenues from continuing operations for the three months ended March 31, 2017 was not significant when compared to average exchange rates of the three months ended March 31, 2016.

Cost of Revenues. Our cost of revenues for the three months ended March 31, 2017 and 2016 were split among the following geographic regions (dollars in thousands):

	Three Months Ended March 31,				% Change	
	2017	%	2016	%	Actual	Constant Currency
Americas	$ 179,047	38%	$ 170,126	40%	5%	3%
EMEA	173,160	37%	151,762	35%	14%	22%
Asia-Pacific	116,754	25%	105,792	25%	10%	10%
Total	$ 468,961	100%	$ 427,680	100%	10%	11%

	Three Months Ended March 31,	
	2017	2016
Cost of revenues as a percentage of revenues:		
Americas	41%	42%
EMEA	55%	57%
Asia-Pacific	59%	62%
Total	49%	51%

Americas Cost of Revenues. Our Americas cost of revenues for the three months ended March 31, 2017 and 2016 included $63.7 million and $58.8 million, respectively, of depreciation expense. The growth in depreciation expense was primarily due to our IBX data center expansion activity. In addition to the increase in depreciation expense, the increase in our Americas cost of revenues for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 was primarily due to $2.6 million of higher compensation costs, including general salaries, bonuses and stock-based compensation. During the three months ended March 31, 2017, the impact of foreign currency fluctuations resulted in approximately $4.3 million of net unfavorable foreign currency impact to our Americas cost of revenues primarily due to a generally weaker U.S. dollar relative to the Brazilian real and Canadian dollar during the three months ended March 31, 2017 compared to the three months ended March 31, 2016. We expect Americas cost of revenues to increase as we continue to grow our business, including results from the newly acquired business from our Selected Verizon Data Center Business Acquisition that closed on May 1, 2017.

EMEA Cost of Revenues. Cost of revenues for our EMEA region for the three months ended March 31, 2017 included approximately $15.6 million of costs of revenues attributable to the Paris IBX Data Center Acquisition, the IO Acquisition and the first 15 days of 2017 operating results from the TelecityGroup Acquisition. Excluding the impacts from these acquisitions, the increase in our EMEA cost of revenues was primarily due to (i) $1.9 million of higher utilities, rent, consulting, and repairs and maintenance costs in support of our business growth and (ii) $10.8 million of higher other costs of sales, including $7.1 million for third party and managed services and $3.7 million related to the impact from cash flow hedges, partially offset by $5.2 million of lower depreciation expense. During the three months ended March 31, 2017, the impact of foreign currency fluctuations to our EMEA cost of revenues resulted in approximately $11.8 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 during the three months ended March 31, 2017 compared to the three months ended March 31, 2016. 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 March 31, 2017 and 2016 included $47.0 million and $43.9 million, respectively, of depreciation expense. The growth in depreciation expense was primarily due to our IBX data center expansion activity. In addition to the increase in depreciation expense, the increase in our Asia-Pacific cost of revenues for the three months ended March 31, 2017 compared to three months ended March 31, 2016, was primarily due to $6.8 million of higher rent, facility costs, consulting and other costs in support of our business growth. For the three months ended March 31, 2017, the impact of foreign currency fluctuations on our Asia-Pacific cost of revenues was not significant when compared to average exchange rates of the three months ended March 31, 2016. We expect Asia-Pacific cost of revenues to increase as we continue to grow our business.

Sales and Marketing Expenses. Our sales and marketing expenses for the three months ended March 31, 2017 and 2016 were split among the following geographic regions (dollars in thousands):

	Three Months Ended March 31,				% Change	
	2017	%	2016	%	Actual	Constant Currency
Americas	$ 66,649	52%	$ 57,753	54%	15%	14%
EMEA	41,671	32%	31,851	30%	31%	42%
Asia-Pacific	20,607	16%	16,986	16%	21%	21%
Total	$ 128,927	100%	$ 106,590	100%	21%	24%

	Three Months Ended March 31,	
	2017	2016
Sales and marketing expenses as a percentage of revenues:		
Americas	15%	14%
EMEA	13%	12%
Asia-Pacific	10%	10%
Total	14%	13%

Americas Sales and Marketing Expenses. The increase in our Americas sales and marketing expenses for the three months ended March 31, 2017 was primarily due to $7.0 million of higher compensation costs, including sales compensation, general salaries, bonuses and stock-based compensation and headcount growth (598 Americas sales and marketing employees as of March 31, 2017 versus 506 as of March 31, 2016). For the three months ended March 31, 2017, 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 March 31, 2016. 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. We anticipate that we will continue to invest in Americas sales and marketing initiatives. We expect our Americas sales and marketing expenses to continue to increase as we continue to grow our business, including impacts from our Selected Verizon Data Center Business Acquisition.

EMEA Sales and Marketing Expenses. The increase in sales and marketing expenses for our EMEA region for the three months ended March 31, 2017 was primarily due to (i) $4.8 million of higher bad debt expense and (ii) $2.8 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation and headcount growth (362 EMEA sales and marketing employees as of March 31, 2017 versus 315 as of March 31, 2016). For the three months ended March 31, 2017, the impact of foreign currency fluctuations resulted in approximately $3.6 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 during the three months ended March 31, 2017 compared to the three months ended March 31, 2016. Over the past several years, we have been investing in our EMEA sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts. We expect our EMEA sales and marketing expenses to increase as we continue to grow our business.

Asia-Pacific Sales and Marketing Expenses. The increase in our Asia-Pacific sales and marketing expenses for the three months ended March 31, 2017 was primarily due to $1.7 million of higher compensation costs, including sales compensation, general salaries, bonuses and stock-based compensation and headcount growth (284 Asia-Pacific sales and marketing employees as of March 31, 2017 versus 259 as of March 31, 2016) during the three months ended March 31, 2017 compared to the three months ended March 31, 2016. For the three months ended March 31, 2017, the impact of foreign currency fluctuations to our Asia-Pacific sales and marketing expenses was not significant when compared to average exchange rates of the three months ended March 31, 2016. 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. We expect our Asia-Pacific sales and marketing expenses to increase as we continue to grow our business.

General and Administrative Expenses. Our general and administrative expenses for the three months ended March 31, 2017 and 2016 were split among the following geographic regions (dollars in thousands):

	Three Months Ended March 31,				% Change	
	2017	%	2016	%	Actual	Constant Currency
Americas	$ 108,334	60%	$ 93,104	56%	16 %	16%
EMEA	53,317	29%	55,477	33%	(4)%	6%
Asia-Pacific	19,748	11%	17,323	11%	14 %	14%
Total	$ 181,399	100%	$ 165,904	100%	9 %	12%

	Three Months Ended March 31,	
	2017	2016
General and administrative expenses as a percentage of revenues:		
Americas	25%	23%
EMEA	17%	21%
Asia-Pacific	10%	10%
Total	19%	20%

Americas General and Administrative Expenses. The increase in our Americas general and administrative expenses was primarily due to (i) $6.3 million of higher compensation costs, including general salaries, bonuses, stock-based compensation, and headcount growth (962 Americas general and administrative employees as of March 31, 2017 versus 826 as of March 31, 2016) and (ii) $6.5 million of higher depreciation expense associated with the implementation of certain systems to improve our quote to order and billing processes and continued improvement of other back office systems. During the three months ended March 31, 2017, 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 March 31, 2016. Going forward, although we are carefully monitoring our spending, we expect Americas general and administrative expenses to increase as we continue to further support our operations, including additional investments in our back office systems and maintaining our REIT qualification, and impacts from the Selected Verizon Data Center Business Acquisition.

EMEA General and Administrative Expenses. The decrease in our EMEA general and administrative expenses was primarily due to $8.8 million of lower compensation expenses, which was attributed to the integration of TelecityGroup during the three months ended during March 31, 2016, partially offset by $2.9 million of higher consulting services to support the integration of TelecityGroup and $3.4 million of higher general salaries and benefits resulting from the headcount growth (733 EMEA general and administrative employees as of March 31, 2017 versus 682 as of March 31, 2016). For the three months ended March 31, 2017, the impact of foreign currency fluctuations resulted in approximately $5.4 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 during the three months ended March 31, 2017 compared to the three months ended March 31, 2016. Over the last several years, 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 further support our operations, as well as ongoing integration of TelecityGroup.

Asia-Pacific General and Administrative Expenses. Our Asia-Pacific general and administrative expenses did not materially change during the three months ended March 31, 2017 compared to the three months ended March 31, 2016. The impact of foreign currency fluctuations to our Asia-Pacific general and administrative expenses for the three months ended March 31, 2017 was not significant when compared to average exchange rates of the three months ended March 31, 2016. Going forward, although we are carefully monitoring our spending, we expect Asia-Pacific general and administrative expenses to increase as we continue to further support our operations.

Acquisition Costs. During the three months ended March 31, 2017, we recorded acquisition costs totaling $3.0 million primarily in the EMEA and Americas regions. During the three months ended March 31, 2016, we recorded acquisition costs totaling $36.5 million primarily in the EMEA region. We expect our acquisition costs to increase for the remainder of this year as a result of our Selected Verizon Data Center Business Acquisition, which closed on May 1, 2017.

Gain on Asset Sales. During the three months ended March 31, 2016, we recorded a gain on asset sales of $5.2 million primarily in the Americas region. We did not have any asset sales during the three months ended March 31, 2017.

Income from Continuing Operations. Our income from continuing operations for the three months ended March 31, 2017 and 2016 was split among the following geographic regions (dollars in thousands):

	Three Months Ended March 31,				% Change	
	2017	%	2016	%	Actual	Constant Currency
Americas	$ 81,110	48%	$ 88,539	79 %	(8)%	(9)%
EMEA	44,981	27%	(7,419)	(7)%	706 %	712 %
Asia-Pacific	41,122	25%	31,568	28 %	30 %	30 %
Total	$ 167,213	100%	$ 112,688	100 %	48 %	48 %

Americas Income from Continuing Operations. The decrease in our Americas income from continuing operations was due to higher sales and marketing and general and administrative expenses as a percentage of revenues primarily attributable to higher compensation and other headcount related expenses to support our growth. The impact of foreign currency fluctuations on our Americas income from continuing operations for the three months ended March 31, 2017 was not significant when compared to average exchange rates of the three months ended March 31, 2016.

EMEA Income (loss) from Continuing Operations. The increase in our EMEA income from continuing operations was primarily due to higher revenues as a result of our IBX data center expansion activity and acquisitions, as described above, as well as lower acquisition costs incurred for the three months ended March 31, 2017. We incurred $36.2 million of acquisition costs, which was primarily related to our acquisition of TelecityGroup, during the three months ended March 31, 2016, while no significant acquisition costs incurred for the three months ended March 31, 2017. The impact of foreign currency fluctuations on our EMEA income from continuing operations for the three months ended March 31, 2017 was not significant when compared to average exchange rates of the three months ended March 31, 2016.

Asia-Pacific Income from Continuing Operations. The increase in our Asia-Pacific income from continuing operations was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above and lower cost of revenues as a percentage of revenues. The impact of foreign currency fluctuations on our Asia-Pacific income from continuing operations for the three months ended March 31, 2017 was not significant when compared to average exchange rates of the three months ended March 31, 2016.

Interest Income. Interest income was $3.1 million and $0.9 million, respectively, for the three months ended March 31, 2017 and 2016. The average annualized yield for the three months ended March 31, 2017 was 0.43% versus 0.26% for the three months ended March 31, 2016. 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 $111.7 million for the three months ended March 31, 2017 from $100.9 million for the three months ended March 31, 2016. The increase in interest expense was primarily due to the Term B-2 Loan borrowings of €1.0 billion, or approximately $1.1 billion at the exchange rate in effect at the time of borrowing in January 2017. Additionally, the increase was also attributable to our issuance of $1.25 billion of 2027 Senior Notes in March 2017, as well as additional financings such as various capital lease and other financing obligations to support our expansion projects. During the three months ended March 31, 2017 and 2016, we capitalized $6.4 million and $2.3 million, respectively, of interest expense to construction in progress. We expect to incur higher interest expense going forward in connection with higher indebtedness that we incurred during the first quarter of 2017.

Other Income (Expense). We recorded net income of $0.3 million for the three months ended March 31, 2017 and net expense of $60.7 million for the three months ended March 31, 2016, which was primarily due to $63.5 million in foreign currency losses as a result of the TelecityGroup Acquisition.

Income Taxes. Effective January 1, 2015, we have operated as a REIT for federal income tax purposes. As a REIT, we are generally not subject to federal income taxes on our taxable income distributed to our stockholders. We intend to distribute and have distributed the entire taxable income generated by the operations of our REIT and its QRSs for the tax years ended December 31, 2017 and December 31, 2016, respectively. 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 March 31, 2017 and 2016.

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 regardless of whether the foreign operations are operated as a QRS or TRS have been accrued, as necessary, for the three months ended March 31, 2017 and 2016.

For the three months ended March 31, 2017 and 2016, we recorded $13.4 million of income tax expense and $10.6 million of income tax benefit, respectively. Our effective tax rates were 24.2% and 22.2%, respectively, for the three months ended March 31, 2017 and 2016.

Income from Discontinued Operations. Our net income from discontinued operations was $6.2 million for thethree months ended March 31, 2016. We did not have discontinued operations during the three months ended March 31, 2017.

Adjusted EBITDA. Adjusted EBITDA is a key factor in how we assess the operating performance 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, acquisition costs and gain on asset sales. See "Non-GAAP Financial Measures" below for more information about adjusted EBITDA and a reconciliation of adjusted EBITDA to income or loss from operations. Our adjusted EBITDA for the three months ended March 31, 2017 and 2016 was split among the following geographic regions (dollars in thousands):

	Three Months Ended March 31,				% Change	
	2017	%	2016	%	Actual	Constant Currency
Americas	$ 198,619	47%	$ 184,460	49%	8%	6%
EMEA	129,554	30%	111,489	29%	16%	23%
Asia-Pacific	99,401	23%	84,701	22%	17%	17%
Total	$ 427,574	100%	$ 380,650	100%	12%	14%

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 March 31, 2017, currency fluctuations resulted in approximately $2.4 million of net favorable foreign currency impact on our Americas adjusted EBITDA primarily due to the generally weaker U.S. dollar relative to the Brazilian real and Canadian dollar during the three months ended March 31, 2017 compared to the three months ended March 31, 2016.

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 acquisitions, as described above, and lower integration costs relating to the TelecityGroup Acquisition in the current year compared to the same period in the prior year. During the three months ended March 31, 2017, currency fluctuations resulted in approximately $7.8 million of net unfavorable foreign currency impact to our EMEA adjusted EBITDA primarily due to a generally stronger U.S. dollar relative to the British pound during the three months ended March 31, 2017 compared to the three months ended March 31, 2016.

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. The impact of foreign currency fluctuations to our Asia-Pacific EBITDA for the three months ended March 31, 2017 was not significant when compared to average exchange rates of the three months ended March 31, 2016.

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.

Non-GAAP financial measures are not a substitute for financial information prepared in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation, but should be considered together with the most directly comparable GAAP financial measures and the reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures. 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 these non-GAAP financial measures provides consistency and comparability with past reports and provides a better understanding of the overall performance of the business and 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 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. Investors should therefore exercise caution when comparing non-GAAP financial measures used by us to similarly titled non-GAAP financial measures of other companies.

Our primary non-GAAP financial measures, adjusted EBITDA and adjusted funds from operations ("AFFO"), 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 an IBX data center do not recur with respect to such data center, although we may incur initial construction costs in future periods with respect to additional IBX data centers, 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 adjusted EBITDA and AFFO, we exclude amortization expense related to acquired intangible assets. Amortization expense is significantly affected by the timing and magnitude of our acquisitions and these charges may vary in amount from period to period. We exclude amortization expense to facilitate a more meaningful evaluation of our current operating performance and comparisons to our prior periods. 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 can vary significantly from period to period based on share price, and the timing, size and nature of equity awards. As such, we, and many investors and analysts, exclude this stock-based compensation expense to compare our operating results with those of other companies. 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. We also exclude gains on asset sales as it represents profit that is not meaningful in evaluating our current or future operating performance. Finally, we exclude acquisition costs from AFFO and adjusted EBITDA to allow more comparable comparisons of our financial results to our historical operations. The acquisition costs relate to costs we incur in connection with business combinations. Such charges generally are not relevant to assessing long-term performance of the Company. In addition, the frequency and amount of such charges vary significantly based on the size and timing of the acquisitions. Management believes items such as restructuring charges, impairment charges, gain on asset sales and acquisition costs are non-core transactions; however, these types of costs may occur in future periods.

Adjusted EBITDA

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

	Three Months Ended March 31,	
	2017	2016
Income from operations	$ 167,213	$ 112,688
Depreciation, amortization, and accretion expense	219,013	202,153
Stock-based compensation expense	38,323	34,515
Acquisition costs	3,025	36,536
Gains on asset sales	—	(5,242)
Adjusted EBITDA	$ 427,574	$ 380,650

Our adjusted EBITDA results have improved each year and in each region in total dollars due to the improved operating results discussed earlier in "Results of Operations", as well as the nature of our business model consisting of a recurring revenue stream and a cost structure which has a large base that is fixed in nature also discussed earlier in "Overview."

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 gain (loss) 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 beginning 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, gain (loss) 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, gain on asset sales and net income (loss) from discontinued operations, net of tax. 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. We exclude the amortization of deferred financing costs as these expenses relate to the initial costs incurred in connection with debt financings that have no current or future cash obligations. We exclude gain (loss) on debt extinguishment since it generally represents the write-off of initial costs incurred in connection with debt financings or a cost that is incurred to reduce future interest costs and is not a good indicator of our current or future operating performance. We include an income tax expense adjustment, which represents the non-cash tax impact due to changes in valuation allowances, uncertain tax positions and deferred taxes that do not relate to current period's operations. We deduct recurring capital expenditures, which represent expenditures to extend the useful life of its IBX centers or other assets that are required to support current revenues. We also exclude net income (loss) from discontinued operations, net of tax, which represents results that may not recur and are not a good indicator of our current future operating performance.

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Our FFO and AFFO for the three months ended March 31, 2017 and 2016 were as follows (in thousands):

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income	$ 42,062	$ (31,111)
Adjustments:		
Real estate depreciation and amortization	159,414	150,995
Gain on disposition of real estate property	(638)	(4,037)
Adjustments for FFO from unconsolidated joint ventures	28	28
NAREIT FFO attributable to common shareholders	$ 200,866	$ 115,875

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
NAREIT FFO attributable to common shareholders	$ 200,866	$ 115,875
Adjustments:		
Installation revenue adjustment	4,675	3,354
Straight-line rent expense adjustment	2,409	1,133
Amortization of deferred financing costs	11,580	5,508
Stock-based compensation expense	38,323	34,515
Non-real estate depreciation expense	28,575	21,387
Amortization expense	29,017	28,152
Accretion expense	2,007	1,619
Recurring capital expenditures	(22,672)	(31,815)
Loss on debt extinguishment	3,503	—
Acquisition costs	3,025	36,536
Income tax expense adjustment	2,809	(190)
Adjustments for AFFO from unconsolidated joint ventures	(7)	(12)
Net income from discontinued operations, net of tax	—	(6,216)
Adjusted Funds from Operations (AFFO)	$ 304,110	$ 209,846

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."

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 Euro, British pound, Japanese yen, Singapore dollar, Australian dollar and Brazilian real. In order to provide a framework for assessing how each of our business segments performed excluding the impact of foreign currency fluctuations, we present period-over-period percentage changes in our revenues and certain operating expenses on a constant currency basis in addition to the historical amounts as reported. Presenting constant currency results of operations is a non-GAAP financial measure and is not meant to be considered in isolation or as an alternative to GAAP results of operations. However, we have presented this non-GAAP financial measure to provide investors with an additional tool to evaluate our operating results. To present this information, our current and comparative prior period revenues and certain operating expenses from entities reporting in currencies other than the U.S. dollar are converted into U.S. dollars at constant exchange rates rather than the actual exchange rates in effect during the respective periods (i.e. average rates in effect for the three months ended March 31, 2016 are used as exchange rates for the three months ended March 31, 2017 when comparing the three months ended March 31, 2017 with the three months ended March 31, 2016).

Liquidity and Capital Resources

As of March 31, 2017, our total indebtedness was comprised of debt and financing obligations totaling $9,271.3 million consisting of (a) $5,100.0 million of principal from our senior notes, (b) approximately $1,622.5 million from our capital lease and other financing obligations, and (c) $2,548.8 million of principal from our mortgage and loans payable (gross of debt issuance cost, debt discount, and debt 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 expenses related to our REIT integration activities, payment of regular dividends and completion of our publicly-announced expansion projects. As of March 31, 2017, we had $4.9 billion of cash, cash equivalents and short-term and long-term investments, of which approximately $4.5 billion was held in the U.S. We believe that our current expansion activities in the U.S. can be funded with our U.S.-based cash and cash equivalents and investments. Besides our cash and investment portfolio, we have additional liquidity available to us from the $1.5 billion revolving credit facility. On December 6, 2016, we entered into a transaction agreement with Verizon to acquire Verizon's colocation services business located in United States, Brazil and Colombia for a cash purchase price of approximately $3.6 billion. During the three months ended March 31, 2017, we borrowed the full amount of our €1.0 billion Term B-2 Loan (see Note 9 of Notes to Condensed Consolidated Financial Statements), issued $1.25 billion of 5.375% senior notes due 2027 (see Note 9 of Notes to Condensed Consolidated Financial Statements) and sold 6,069,444 shares of common stock in a public offering for net proceeds of $2.1 billion (see Note 11 of Notes to Condensed Consolidated Financial Statements). The Acquisition closed on May 1, 2017 and was funded with borrowing of our €1.0 billion Term B-2 Loan and 2027 Senior Notes and proceeds from the issuance of our common stock during the quarter.

As of March 31, 2017, we had 30 irrevocable letters of credit totaling $50.6 million issued and outstanding under the U.S. revolving credit line; as a result, we had a total of approximately $1.4 billion 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

	Three Months Ended March 31,	
	2017	2016
	(dollars in thousands)	
Net cash provided by operating activities	$ 247,371	$ 104,834
Net cash used in investing activities	(314,359)	(1,789,190)
Net cash provided by (used in) financing activities	4,225,246	(376,932)

Operating Activities. The increase in net cash provided by operating activities was primarily due to improved operating results and favorable working capital activities. We expect we will continue to generate cash from our operating activities during the remainder of 2017 and beyond.

Investing Activities. The net cash used in investing activities for the three months ended March 31, 2017 was primarily due to capital expenditures of $277.2 million as a result of our expansion activity, purchases of real estate of $41.7 million and acquisitions of $36.0 million, net of cash acquired, partially offset by proceeds from asset sales of $47.8 million. The net cash used in investing activities for the three months ended March 31, 2016 was primarily due to $1.6 billion, net of cash and restricted cash acquired for the TelecityGroup Acquisition and remaining amounts due for Bit-isle shares and capital expenditures of $197.7 million. On May 1, 2017, we completed the Selected Verizon Data Center Business Acquisition for a cash purchase price of approximately $3.6 billion, which will result in an increase of net cash used in investing activities during the next quarter.

Financing Activities. The net cash provided by financing activates for the three months ended March 31, 2017 was primarily related to funding the Acquisition; we borrowed the full amount of our €1.0 billion Term B-2 Loan, or approximately $1.1 billion at the exchange rate in effect on January 6, 2017, issued $1.25 billion of 5.375% senior notes due 2027 and sold 6,069,444 shares of common stock in a public offering for net proceeds of $2.1 billion. Other financing activities included dividend distributions of $148.1 million, debt issuance costs of $40.7 million, repayments of capital lease and other financing obligations of $16.6 million and repayments of mortgage and loans payable of $21.5 million, and partially offset by proceeds from employee awards of $20.1 million. The net cash used in financing activates for the three months ended March 31, 2016 was primarily due to repayments of loans of $936.4 million relating to loans assumed from TelecityGroup acquisition, our revolving credit facility and our term loan facility; dividend distributions of $124.8 million and repayments of $33.2 million of capital lease and other financing obligations and , partially offset by borrowings of $701.3 million under our multicurrency Term B loan facility and other borrowings and by proceeds from employee equity awards of $16.3 million.

Contractual Obligations and Off-Balance-Sheet Arrangements

We lease a majority of our IBX data centers and certain equipment under non-cancellable lease agreements expiring through 2065. The following represents our debt maturities, financings, leases and other contractual commitments as of March 31, 2017 (in thousands):

	2017 (9 months)	2018	2019	2020	2021	Thereafter	Total
Term loans (1)	$ 58,261	$ 77,681	$ 364,619	$ 39,423	$ 354,073	$ 1,608,006	2,502,063
Senior notes (1)	—	—	—	500,000	—	4,600,000	5,100,000
Interest (2)	247,500	356,544	354,683	331,242	316,988	952,882	2,559,839
Capital lease and other financing obligations (3)	125,934	170,723	166,019	165,238	166,821	1,775,148	2,569,883
Operating leases (4)	110,640	151,755	143,603	132,619	124,283	1,053,218	1,716,118
Other contractual commitments (5)	796,295	91,988	50,066	13,237	10,552	101,828	1,063,966
Asset retirement obligations (6)	10,532	5,564	13,600	4,426	3,664	73,051	110,837
	$ 1,349,162	$ 854,255	$ 1,092,590	$ 1,186,185	$ 976,381	$ 10,164,133	$ 15,622,706

(1) Represents principal only.
(2) Represents interest on mortgage payable, loans payable, senior notes and term loans based on their approximate interest rates as ofMarch 31, 2017.
(3) Represents principal and interest.
(4) Represents minimum operating lease payments, excluding potential lease renewals.
(5) Represents off-balance sheet arrangements. Other contractual commitments are described below.
(6) Represents liability, net of future accretion expense.

There are no other material changes in our commitments under mortgage and loans payable as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016.

In connection with certain of our leases and other contracts requiring deposits, we entered into30 irrevocable letters of credit totaling $50.6 million under the senior revolving credit line. These letters of credit were provided in lieu of cash deposits under the senior revolving credit line. If the landlords for these IBX leases decide to draw down on these letters of credit triggered by an event of default under the lease, we will be required to fund these letters of credit either through cash collateral or borrowing under the senior revolving credit line. These contingent commitments are not reflected in the table above.

We had accrued liabilities related to uncertain tax positions totaling approximately$56.6 million as of March 31, 2017. 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 ofMarch 31, 2017, we were contractually committed for $415.4 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 2017 and thereafter, is reflected in the table above as "other contractual commitments."

We had other non-capital purchase commitments in place as of March 31, 2017, 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 2017 and beyond. Such other purchase commitments as of March 31, 2017, which total $648.6 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 $745.2 million to $845.2 million, in addition to the $1,064.0 million in contractual commitments discussed above as of March 31, 2017, in our various IBX data center expansion projects during 2017 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

Our condensed consolidated financial statements and accompanying notes are prepared in accordance with GAAP. The preparation of our 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. On an ongoing basis, management evaluates the accounting policies, assumptions, estimates and judgments to ensure that our condensed consolidated financial statements are presented fairly and in accordance with GAAP. Management bases its assumptions, estimates and judgments on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. However, because future events and their effects cannot be determined with certainty, actual results may differ from these assumptions and estimates, and such differences could be material. 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, 2016.

We elected to be taxed as REIT for U.S. federal income tax purposes beginning with our 2015 taxable year. As of March 31, 2017, our REIT structure includes all of our data center operations in the U.S., Canada, and Japan, our historical data center operations in Europe and the majority of the data center operations acquired in the TelecityGroup Acquisition. We plan to complete the REIT integration of the remaining TelecityGroup business during the second half of 2017 with an exception of the businesses in Turkey and Bulgaria. Our data center operations in other jurisdictions are operated as 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 three months ended March 31, 2017.

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

Market Risk

While there have been no significant changes in our market risk, investment portfolio risk, interest rate risk, foreign currency risk and commodity price risk exposures and procedures during the three months ended March 31, 2017 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, 2016, the U.S. dollar weakened relative to certain of the currencies of the foreign countries in which we operate during the three months ended March 31, 2017. This has significantly impacted our condensed 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.

With the existing cash flow hedges in place, a hypothetical additional 10% strengthening of the U.S. dollar for thethree months ended March 31, 2017 would have resulted in a reduction of our revenues and operating expenses for the quarter by approximately $28.8 million and $34.4 million, respectively.

Interest Rate Risk

An immediate 10% increase or decrease in current interest rates from their position as ofMarch 31, 2017 would not have a material impact on our debt obligations due to the fixed nature of the majority of our debt obligations. However, the interest expense associated with our senior credit facility and term loans, which bear interest at variable rates, could be affected. For every 100 basis point change in interest rates, our annual interest expense could increase by a total of approximately $19.1 million or decrease by a total of approximately $3.0 million based on the total balance of our primary borrowings under the Term A loan facility, Term B-1 and B-2 loans, and the Japanese Yen term loan as of March 31, 2017. As of March 31, 2017, we had not employed any interest rate derivative products against our debt obligations. However, we may enter into interest rate hedging agreements in the future to mitigate our exposure to interest rate risk.

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 Exchange 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.*** We completed the acquisition of TelecityGroup in the first quarter of 2016. We are evaluating changes to processes and other components of internal controls over financial reporting of TelecityGroup as part of the ongoing integration activities. There have not been any other changes in our internal control reporting that occurred during the quarter ended March 31, 2017 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 Integration of the Verizon Assets.

The anticipated benefits of the Selected Verizon Data Center Business Acquisition may not be realized fully and may take longer to realize than expected and there will be numerous challenges associated with integration.

On May 1, 2017, we acquired Verizon's colocation services business (the "Business"), for a cash purchase price of approximately $3.6 billion (the "Acquisition" or the "Selected Verizon Data Center Business Acquisition"). The success of the Acquisition will depend, in part, on our ability to successfully integrate the Verizon assets into our business, and realize the anticipated benefits, including synergies and cost savings, from the Acquisition. 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 our common stock may be adversely affected.

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

- retaining relationships with key customers, landlords and suppliers of the acquired business, some of which may terminate their contracts with the acquired business as a result of the Acquisition or which may attempt to negotiate changes in their current or future business relationships with us;
- expanding our relationships with U.S. government customers, which will subject us to complex regulatory and compliance requirements and risks with which we have limited experience;
- integrating or migrating IT systems, which may create a risk of errors or performance problems and could affect our ability to meet customer service level obligations;
- our reliance on transition services from Verizon to operate the acquired business, and our need to develop sustainable alternative arrangements upon expiration or interruption of those transition services;
- the diversion of management's attention from ongoing business concerns and performance shortfalls at Equinix as a result of the devotion of management's attention to the Acquisition;
- managing a larger company;
- integrating two unique corporate cultures;
- retaining key employees, who may experience uncertainty associated with the Acquisition and who may depart after the Acquisition because of issues relating to the uncertainty and difficulty of the integration or a desire not to remain with us following the Acquisition; and
- unforeseen expenses or delays associated with the 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.

We expect to incur significant integration costs in connection with the Selected Verizon Data Center Business Acquisition

We expect to incur significant costs in connection with integrating the Verizon assets into Equinix. 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 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. In addition, Verizon has contributed specified assets and liabilities of the acquired business to newly formed entities, and we have acquired the equity interests of such entities. However, the contributed assets may not be sufficient to operate all aspects of the acquired business. Accordingly, we may have to use assets or resources from our existing business or acquire additional assets in order to operate the acquired business.

As a result, the integration expenses associated with the Acquisition could, particularly in the near term, exceed the cost savings that we expect to achieve from the streamlining of operations from the Acquisition.

Our business, financial condition and results of operations may be adversely affected by the Selected Verizon Data Center Business Acquisition if we are not able to obtain requisite consents or enter into certain agreements.

Pursuant to the transaction agreement, Verizon has agreed to use its commercially reasonable efforts until 12 months following the consummation of the Acquisition to obtain any consents from customers, landlords, and other third parties that may be necessary in connection with the Acquisition, or to amend its agreements with such third parties so that we will be entitled to the rights and benefits currently enjoyed by Verizon under such agreements on substantially the same terms as then in effect. To the extent that we or Verizon are not able to obtain such consents, we may not be able to realize the anticipated benefits of the Acquisition.

We would incur adverse tax consequences if the Selected Verizon Data Center Business Acquisition causes us to fail to qualify as a REIT for U.S. federal income tax purposes.

We will integrate Verizon'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 would jeopardize or lose our qualification for taxation as a REIT, particularly if we would not be ineligible to utilize relief provisions set forth in the Internal Revenue Code (the "Code").

Risks Related to Our Taxation as a REIT

We may not remain qualified for taxation as a REIT.

We have elected to be taxed as a REIT for federal income tax purposes beginning with our 2015 taxable year. We believe that our organization and method of operation comply with the rules and regulations promulgated under the Code such that we will continue to qualify for taxation as a REIT. However, we cannot assure you that we have qualified for taxation as a REIT or that we will remain so qualified. Qualification for taxation as a REIT involves the application of highly technical and complex provisions of the Code to our operations as well as various factual determinations concerning matters and circumstances not entirely within our control. There are also limited judicial or administrative interpretations of applicable REIT provisions.

If, in any taxable year, we fail to remain qualified 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 tax rates; and
- 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.

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

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

We paid a quarterly distribution in March of 2017 and have declared a second quarterly distribution to be paid in June 2017. The amount, timing and form of any future distributions will be determined, and will be subject to adjustment, by our Board of Directors. To remain qualified for taxation 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, or in limited circumstances, the following 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 remain qualified 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 size and timing of future distributions, including any distributions made to satisfy REIT distribution requirements, 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.

To remain qualified for taxation 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% (20% from and after our 2018 taxable year) of the value of the assets of a REIT may be represented by securities of one or more TRSs. Similar rules apply to other nonqualifying assets. These limitations may affect our ability to make large investments in other non-REIT qualifying operations or assets. In addition, in order to maintain our qualification for taxation as a REIT, we must 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 for taxation as a REIT, we will be subject to U.S. federal income tax at regular corporate tax rates for our undistributed REIT taxable income, as well as U.S. federal income tax at regular corporate tax rates for income recognized by our TRSs. 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 qualification for taxation 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 is 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 extensive use of TRSs, including for certain of our international operations, may cause us to fail to remain qualified for taxation as a REIT.

The net income of our TRSs is not required to be distributed to us, and income that is not distributed to us generally is not 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, then we will fail to remain qualified for taxation as a REIT. Beginning with our 2018 taxable year, if the accumulation of cash in our TRSs causes (1) the fair market value of our securities in our TRSs to exceed 20% of the fair market value of our assets or (2) 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, then we will fail to remain qualified for taxation as a REIT. Further, a substantial portion of our TRSs are overseas, and a material change in foreign currency rates could also negatively impact our ability to remain qualified for taxation 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 remain qualified for taxation 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.

Even if we remain qualified for taxation 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 our 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 tax rate (currently 35%) on gain recognized from a sale of a REIT asset where our basis in the asset is determined by reference to the basis of the asset in the hands of a C corporation (such as (i) an asset that we held as of the effective date of our REIT election, that is, January 1, 2015, or (ii) an asset that we or a QRS hold following the liquidation or other conversion of a former TRS). This 35% tax is generally applicable to any disposition of such an asset during the five-year period after the date we first owned the asset as a REIT asset (e.g., January 1, 2015 in the case of REIT assets we held at the time of our REIT conversion), to the extent of the built-in-gain based on the fair market value of such asset on the date we first held the asset as a REIT asset.

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 cause us to pay an additional taxable distribution to our stockholders and an interest penalty to the IRS 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 remain qualified 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 or fluctuations with respect to borrowings made or to be made by us to acquire or carry real estate assets and income from certain currency hedging transactions related to our non-U.S. operations, as well as income from qualifying counteracting hedges, 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 our TRSs, which we presently do.

This increases the cost of our hedging activities because our TRSs are subject to tax on income or gains resulting from hedges entered into by them and may 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 may not provide any tax benefit, except for being carried forward for possible use against future capital gain in the TRSs.

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 tax rates. Distributions payable by REITs, in contrast, generally are not eligible for the preferential tax rates. The preferential tax rates applicable to regular corporate distributions could cause investors that 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 qualification for taxation as a REIT.

In order for us to remain qualified for taxation 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 qualification for taxation as a REIT from being jeopardized, including under the affiliated tenant rule. Furthermore, there can be no assurance that we will be able to monitor and 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 remain qualified for taxation 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.

Over the last several years, we have completed numerous acquisitions. 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 acquisitions of Switch & Data Facilities Company, Inc. in 2010 and TelecityGroup in 2016;

- 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 desire to maintain our qualification for taxation 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;
- the possibility that asset divestments may be required in order to obtain regulatory clearance for a transaction; 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 for taxation as a REIT. As of March 31, 2017, our total indebtedness (gross of debt issuance cost, debt discount, and debt premium) was approximately $9.3 billion, our stockholders' equity was$6.5 billion and our cash, cash equivalents, and investments totaled $4.9 billion. In addition, as of March 31, 2017, we had approximately$1.4 billion of additional liquidity available to us from our$1.5 billion revolving credit facility. 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, some of which are accounted for as operating leases. As of March 31, 2017, our total minimum operating lease commitments under those lease agreements, excluding potential lease renewals, was approximately $1.7 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.

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

Adverse global economic conditions and credit market uncertainty could adversely impact our business and financial condition.

Adverse global economic conditions and uncertain conditions in the credit markets have created, and in the future may 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.

Recent political developments related to the U.K.'s referendum on membership in the EU could have a material adverse effect on our business.

We currently have IBX data centers and employees located in the UK and other European jurisdictions. A referendum was held on June 23, 2016 in the UK to determine whether it should remain in or leave the European Union (the "EU"), the outcome of which was a vote in favor of leaving the EU (the "Brexit"). The Brexit has resulted in political and economic instability throughout Europe. There is considerable uncertainty surrounding the exit process, the extent of the UK's future relationship with the EU, and the longer term impact of the Brexit on economic conditions in the UK and in the EU. The ongoing instability and uncertainty surrounding the Brexit in the near term, and the final terms reached regarding the Brexit, could have an adverse impact on our business and employees in EMEA and could adversely affect our financial condition and results of operations.

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, 2016, 2015 and 2014, we recognized approximately 57%, 49% and 49%, respectively, of our revenues outside the U.S. 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 and political uncertainty in developing markets could adversely affect our revenue and earnings.

We conduct business and are contemplating expansion, in developing markets with economies and governments 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, Colombia, India, Indonesia, Russia, Turkey, 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, such as the recent governmental unrest in Turkey, 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.

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 cyber security, which would have a material adverse effect on our business and results of operations. These circumstances may also adversely affect our ability to attract and retain customers, our ability to raise capital and the operation and maintenance of our IBX data centers.

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;
- increases in market interest rates and changes in other general market and economic conditions, including inflationary concerns;
- changes to our capital allocation, tax planning or business strategy;
- our qualification for taxation 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. One of the factors that investors may consider in deciding whether to buy or sell our common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If market interest rates increase, prospective investors may demand a higher distribution rate or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and conditions in the capital markets may affect the market value 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, are and will continue to be a substantial burden 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 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 operations. To the extent we are paying contractors in foreign currencies, our operations 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 taxation as a REIT) 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. government 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 and ensure our non-IBX offices remain operational. 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 and office buildings. 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 buildings 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.

Our office buildings and IBX data centers are subject to failure resulting from numerous factors, including:

- human error;
- equipment failure;
- physical, electronic and cyber security 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 and we may decide to reach settlements with affected customers irrespective of any such contractual limitations. 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 and processes. Difficulties from or disruptions to these efforts may interrupt our normal operations and adversely affect our business and operating results.

We have been investing heavily in our back office information technology systems and processes for a number of years and expect such investment to continue for the foreseeable future in support of our pursuit of global, scalable solutions across all geographies and functions that we operate in. These continuing investments include 1) ongoing improvements to the customer experience from initial quote to customer billing and our revenue recognition process; 2) integration of recently-acquired operations such as Bit-isle, TelecityGroup and the Acquisition onto our various information technology systems; and 3) implementation of new tools and technologies to either further streamline and automate processes, such as our fixed asset procure to disposal process, or to support our compliance with evolving U.S. GAAP, such as the new revenue accounting and leasing standards. As a result of our continued work on these projects, we may experience difficulties with our systems, management distraction and significant business disruptions. For example, 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, fixed assets, revenue recognition, 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 also 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. Finally, the collective impact of these changes to our business has placed significant demands on impacted employees across multiple functions, increasing the risk of errors and control deficiencies in our financial statements, distraction from the effective operation of our business and difficulty in attracting and retaining employees. Any such difficulties or disruptions may adversely affect our business and operating results.

Inadequate external and internal information, including budget and planning data, could prove to be inaccurate and lead to inaccurate financial forecasts and inappropriate financial decisions.

Our financial forecasts are dependent on estimates and assumptions including budget and planning data, market growth, foreign exchange rates, our ability to remain qualified as a REIT, and our ability to generate sufficient cash flow to reinvest in the business, fund internal growth, make acquisitions, pay dividends, and meet our debt obligations. Our financial projections are based on historical experience and on various other assumptions that our management believes to be reasonable under the circumstances and at the time they are made. However, if our external and internal information is inadequate, our actual results may differ materially from our forecasts and cause us to make inappropriate financial decisions. Any material variation between our financial forecasts and our actual results may also adversely affect our future profitability, stock price and stockholder confidence.

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. Any of the limits of insurance that we purchase, including those for cyber risks, 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.

Electricity is a material cost in connection with our business, and an increase in the cost of electricity could adversely affect us. The generators that provide electricity to our facilities are subject to environmental laws, regulations and permit requirements that are subject to material change, which could result in increases in generators' compliance costs that may be passed through to us. Regulations recently promulgated by the United States Environmental Protection Agency (the "U.S. EPA") could limit air emissions from power plants, restrict discharges of cooling water, and otherwise impose new operational restraints on conventional power plants that could increase costs of electricity. In addition, we are directly subject to environmental, health and safety laws regulating air emissions, storm water management and other issues arising in our business. For example, our emergency generators are subject to state and federal regulations governing air pollutants, which could limit the operation of those generators or require the installation of new pollution control technologies. While environmental regulations do not normally impose material costs upon our operations, unexpected events, equipment malfunctions, human error and changes in law or regulations, among other factors, can lead to violations of environmental laws, regulations or permits, and to additional unexpected operational limitations or costs.

Regulation of greenhouse gas ("GHG") emissions could increase the cost of electricity by reducing amounts 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. The U.S. EPA published a regulation in October 2015, called the "Clean Power Plan," that is intended to reduce GHG emissions from existing fossil fuel-fired power plants by 32 percent from 2005 levels by 2030. Under the rule, each state is required to develop a plan to reduce state-wide carbon dioxide emissions to meet a specified emissions target set by the U.S. EPA for that state. Implementation of the Clean Power Plan was stayed by the Supreme Court pending resolution of the underlying legal challenges, and the future of the Clean Power Plan under President Trump's administration is uncertain in any event. Consequently, the impact of the Clean Power Plan cannot be determined at this time. While we do not expect these regulatory developments to materially increase our costs of electricity, the costs remain difficult to predict or estimate.

State regulations also have the potential to increase our costs of obtaining electricity. While GHG regulation at the federal level is unlikely in the near future, certain states, like California, also have issued or may enact environmental regulations that could materially affect our facilities and electricity costs. California has limited GHG emissions from new and existing conventional power plants by imposing regulatory caps and by selling or auctioning the rights to emission allowances. State 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. Such laws and regulations are also subject to change at any time.

Aside from regulatory requirements, we have separately undertaken to procure energy from renewable energy projects in order to support new renewables development. The costs of procuring such energy may exceed the costs of procuring electricity from existing sources, such as existing utilities or electric service provided through conventional grids. These efforts to support and enhance renewable electricity generation may increase our costs of electricity above those that would be incurred through procurement of conventional electricity from existing sources.

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 continue to evolve our product strategy and 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, we are at risk of 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.

Finally, as our customers evolve their IT strategies, we must remain flexible and evolve along with industry and market shifts. Ineffective planning and execution in our cloud strategy and product development lifecycle may cause difficulty in sustaining competitive advantage in our products and services.

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 large storms, earthquakes and tsunamis, 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 IBX data centers 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, 2016, 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, the integration of Bit-isle, TelecityGroup and the Acquisition, the adoption of new accounting principles and our overhaul of our back office systems that support customer experience from initial quote to customer billing and our revenue recognition process, will require us to further develop our controls and reporting systems and implement or amend new or existing controls and reporting systems in those areas where the implementation and integration is still ongoing. All of these changes to our financial systems and the implementation and integration of acquisitions create an increased risk of deficiencies in our internal controls over financial reporting. 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.

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.

Our operating results may 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") may be negatively impacted by acquisitions.

Historically, while our DSO results have fluctuated from time to time, we have generally experienced strong collections of our accounts receivables as evidenced by our prior DSO metrics. However, our DSO may be negatively impacted by ongoing process and system upgrades which can impact our customer's experience in the short term, together with integrating recent acquisitions into our processes and systems which may have a negative impact on our operating cash flows, liquidity and financial performance.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the U.S.

We prepare our financial statements in conformity with accounting principles generally accepted in the U.S. In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016 and May 2016 within ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2016-20, respectively (ASU 2014-09, ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12 and ASU 2016-20 collectively, "Topic 606"). Topic 606, as amended, is effective for annual reporting periods beginning after December 15, 2017. In February 2016, the FASB issued ASU 2016-02, Leases ("Topic 842") ("ASU 2016-02"). Topic 842 is effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. Both Topic 606 and Topic 842 will replace the existing revenue and lease accounting standards, respectively. Although we are currently in the process of evaluating the impact of Topic 606 and Topic 842 on our consolidated financial statements, these new standards could have could have a significant effect on our reported financial results, cause unexpected financial reporting fluctuations and require us to make costly changes to our operational processes and accounting systems. Thus, adoption of the standards could have a significant impact on our financial statements.

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 March 31, 2017, our retained earnings were $61.8 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 2065. 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.

We face risks associated with unauthorized access to our computer systems, loss or destruction of data, computer viruses, malware, distributed denial-of-service attacks, or other malicious activities. These threats may result from human error, equipment failure, or fraud or malice on the part of employees or third parties. 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 our employees, 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 promptly detect that a cyber breach has occurred, or 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, damage relating to loss of proprietary information, 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 maintain insurance coverage for cyber risks but such coverage may be unavailable or insufficient to cover our losses.

We offer professional services to our customers where we consult on data center solutions and assist with implementations. We also offer managed services in certain of our foreign jurisdictions outside of the U.S. where we manage the data center infrastructure for our customers. The access gained from these services to our clients' networks and data creates some risk that our clients' networks or data will be improperly accessed. We may also design our clients' cloud storage systems in such a way that exposes our clients to increased risk of data breach. If Equinix were held to be responsible for any such a breach, it could result in a significant loss to Equinix, including damage to Equinix's client relationships, harm to our brand and reputation, and legal liability.

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

We derive 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 global 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 ("FCC") adopted network neutrality rules that may result in material changes in the regulations and contribution regime affecting us and our customers. However, the new FCC leadership may seek to overturn the current rules thus making the future of network neutrality and its impact on Equinix uncertain. There may also be forthcoming regulation in the U.S. in the areas of cybersecurity, data privacy and data security, any of which could impact Equinix and our customers. Similarly, data privacy regulations outside of the U.S. continue to evolve and must be addressed by Equinix as a global company.

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.

We remain focused on whether and how existing and changing 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 continuing 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.

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.

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 of May 29, 2015. Recommended Cash and Share Offer for Telecity Group plc by Equinix, Inc.	8-K	5/29/2015	2.1	
2.2	Cooperation Agreement, dated as of May 29, 2015, by and between Equinix, Inc. and Telecity Group plc.	8-K	5/29/2015	2.2	
2.3	Amendment to Cooperation Agreement, dated as of November 24, 2015, by and between Equinix, Inc. and Telecity Group plc.	10-K	12/31/2015	2.3	
2.4	Transaction Agreement, dated as of December 6, 2016, by and between Verizon Communications Inc. and Equinix, Inc. and Telecity Group plc.	8-K	12/6/2016	2.1	
2.5	Amendment No.1 to the Transaction Agreement, dated February 23, 2017, by and between Verizon communications Inc. and Equinix, Inc.	10-K	12/31/2016	2.5	
2.6	Amendment No.2 to the Transaction Agreement, dated April 30, 2017, by and between Verizon Communications Inc. and Equinix, Inc.	8-K	5/1/2017	2.1	
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended to date.	10-K/A	12/31/2002	3.1	
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant	8-K	6/14/2011	3.1	
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant	8-K	6/11/2013	3.1	
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant	10-Q	6/30/2014	3.4	
3.5	Certificate of Designation of Series A and Series A-1 Convertible Preferred Stock.	10-K/A	12/31/2002	3.3	
3.6	Amended and Restated Bylaws of the Registrant.	8-K	3/29/2016	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 for the 2020 Notes dated March 5, 2013 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	3/5/2013	4.1	
4.3	Form of 4.875% Senior Note Due 2020 (see Exhibit 4.2).	8-K	3/5/2013	4.2	
4.4	Indenture for the 2023 Notes dated March 5, 2013 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	3/5/2013	4.1	
4.5	Form of 5.375% Senior Note due 2023 (see Exhibit 4.4)				
4.6	Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/2014	4.1	
4.7	First Supplemental Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/2014	4.2	
4.8	Form of 5.375% Senior Note due 2022 (see Exhibit 4.7)				

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
4.9	Second Supplemental Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/2014	4.4	
4.10	Form of 5.750% Senior Note due 2025 (see Exhibit 4.9)				
4.11	Third Supplemental Indenture, dated as of December 4, 2015, between Equinix Inc. and U.S. Bank National Association, as trustee	8-K	12/4/2015	4.2	
4.12	Form of 5.875% Senior Note due 2026 (See Exhibit 4.11)				
4.13	Fourth Supplemental Indenture, dated as of March 22, 2017 between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	3/22/2017	4.2	
4.14	Form of 5.375% Senior Notes due 2027	8-K	3/22/2017	4.3	
4.15	Form of Registrant's Common Stock Certificate	10-K	12/31/2014	4.13	
10.1**	Form of Indemnification Agreement between the Registrant and each of its officers and directors.	S-4 (File No. 333-93749)	12/29/1999	10.5	
10.2**	2000 Equity Incentive Plan, as amended.	10-K	12/31/2016	10.2	
10.3**	2000 Director Option Plan, as amended.	10-K	12/31/2016	10.3	
10.4**	2001 Supplemental Stock Plan, as amended.	10-K	12/31/2016	10.4	
10.5**	Equinix, Inc. 2004 Employee Stock Purchase Plan, as amended.	10-Q	6/30/2014	10.5	
10.6**	Severance Agreement by and between Stephen Smith and Equinix, Inc. dated December 18, 2008.	10-K	12/31/2008	10.31	
10.7**	Severance Agreement by and between Peter Van Camp and Equinix, Inc. dated December 10, 2008.	10-K	12/31/2008	10.32	
10.8**	Severance Agreement by and between Keith Taylor and Equinix, Inc. dated December 19, 2008.	10-K	12/31/2008	10.33	
10.9**	Change in Control Severance Agreement by and between Eric Schwartz and Equinix, Inc. dated December 19, 2008.	10-K	12/31/2008	10.35	
10.10**	Switch & Data 2007 Stock Incentive Plan.	S-1/A (File No. 333-137607) filed by Switch & Data Facilities Company, Inc.	2/5/2007	10.9	
10.11**	Change in Control Severance Agreement by and between Charles Meyers and Equinix, Inc. dated September 30, 2010.	10-Q	9/30/2010	10.42	
10.12**	Form of amendment to existing severance agreement between the Registrant and each of Messrs. Meyers, Smith, Taylor and Van Camp.	10-K	12/31/2010	10.33	
10.13**	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	12/31/2010	10.34	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
10.14**	International Long-Term Assignment Letter by and between Equinix, Inc. and Eric Schwartz, dated May 21, 2013.	10-Q	6/30/2013	10.51	
10.15**	Employment Agreement by and between Equinix (EMEA) B.V. and Eric Schwartz, dated as of August 7, 2013.	10-Q	9/30/2013	10.54	
10.16**	Restricted Stock Unit Agreement dated August 14, 2013 for Charles Meyers under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	9/30/2013	10.55	
10.17**	Offer Letter from Equinix, Inc. to Karl Strohmeyer dated October 28, 2013.	10-Q	3/31/2014	10.49	
10.18**	Restricted Stock Unit Agreement for Karl Strohmeyer under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	3/31/2014	10.50	
10.19**	Change in Control Severance Agreement by and between Karl Strohmeyer and Equinix, Inc. dated December 2, 2013.	10-Q	3/31/2014	10.51	
10.20**	2014 Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/2014	10.52	
10.21**	2014 Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/2014	10.53	
10.22	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	9/30/2014	10.67	
10.23	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	12/31/2014	10.48	
10.24**	2015 Form of Revenue/AFFO Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2015	10.50	
10.25**	2015 Form of TSR Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2015	10.51	
10.26**	2015 Form of Time-Based Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2015	10.52	
10.27	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-Q	9/30/2015	10.52	
10.30	Second Amendment to Credit 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 December 8, 2015.	10-K	12/31/2015	10.55	
10.31**	Equinix, Inc. 2016 Incentive Plan	10-Q	3/31/2016	10.56	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.32**	2016 Form of Revenue/AFFO Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2016	10.57	
10.33**	2016 Form of TSR Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2016	10.58	
10.34**	2016 Form of Time-Based Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2016	10.59	
10.35**	2017 Form of Revenue/AFFO Restricted Stock Unit Agreement for Executives.				X
10.36**	2017 Form of TSR Restricted Stock Unit Agreement for Executives.				X
10.37**	2017 Form of Time-Based Restricted Stock Unit Agreement for Executives.				X
10.38**	Restricted Stock Unit Award granted to John Hughes on February 25, 2016	10-Q	3/31/2016	10.60	
10.39**	Equinix, Inc. Annual Incentive Plan				X
10.40**	Equinix, Inc. Annual Incentive Plan 2017 Award Agreement for Executive Staff Employees				X
10.41	Share Purchase Agreement with Digital Realty Trust, L.P., relating to the sale and purchase of shares in TelecityGroup UK LON Limited, Telecity Netherlands AMS01 AMS04 BV, Equinix Real Estate (TCY AMS04) B.V. and TelecityGroup Germany Fra2 GmbH, dated May 14, 2016.	10-Q	6/30/2016	10.55	
10.42**	Letter Agreement dated June 9, 2016, by and between Equinix, Inc. and Eric Schwartz, amending his International Long Term Assignment letter dated May 21, 2013 and Employment Agreement with Equinix (EMEA) B.V. dated August 7, 2013.	10-Q	9/30/2016	10.56	
10.43**	Term Loan Agreement dated as of September 30, 2016 among Equinix Japan K.K. as Borrower, the Lenders (defined therein) and Bank of Tokyo-Mitsubishi UFJ, Ltd., as Arranger and Agent.	10-Q	9/30/2016	10.42	
10.44	Third Amendment to Credit Agreement and Second 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 December 22, 2016.	10-K	12/31/2016	10.39	
12.1	Statement of Computation of Ratios	10-K	12/31/2016	12.1	
21.1	Subsidiaries of Equinix, Inc.				X
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2	Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	XBRL Instance Document.				X

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
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

** Management contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.

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: May 5, 2017

By: /s/ KEITH D. TAYLOR

Chief Financial Officer

(Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

Exhibit Number	Description of Document
10.35	2017 Form of Revenue/AFFO Restricted Stock Unit Agreement for executives.
10.36	2017 Form of TSR Restricted Stock Unit Agreement for executives.
10.37	2017 Form of Time-Based Restricted Stock Unit Agreement for executives.
10.39	Equinix, Inc. Annual Incentive Plan
10.40	Equinix, Inc. Annual Incentive Plan 2017 Award Agreement for Executive Staff Employees
21.1	Subsidiaries of Equinix, Inc.
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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 10.35

Equinix, Inc. 2000 Equity Incentive Plan

Notice of Restricted Stock Unit Award

For Executives

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

Name:
Employee Id #:
Restricted Stock Unit Award Details:

Date of Grant: February 16, 2017
Award Number:
Minimum Restricted Stock Units (0%):
Target Restricted Stock Units (83%):
Max Restricted Stock Units (100%):

Each Restricted Stock Unit represents the right to receive one share of the Common Stock of the Company, and any Dividend Equivalents thereon prior to settlement, subject to the terms and conditions contained in this Notice of Restricted Stock Unit Award for Executives and the Restricted Stock Unit Agreement (together, the "Agreement"). Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the 2000 Equity Incentive Plan (the "Plan").

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period. The Restricted Stock Units shall become eligible to vest upon a determination by the Board or Committee that the Company has achieved revenue and/or adjusted funds from operations ("AFFO") goals for 2017 of greater than $______ million and/or $______ million, respectively, as set forth on the attached Exhibit A, and if achieved, then the Restricted Stock Units, and any Dividend Equivalents thereon, shall vest in a number of shares determined based on the degree of achievement of the revenue and AFFO targets as set forth on the matrix attached as Exhibit A, and at the following times:

- with respect to 50% of those units on the date upon which the Board or Committee certifies that the Company has achieved revenue and/or AFFO goals of greater than $_____ million and/or $_____ million, respectively, for 2017;
- with respect to 25% of those units on February 15, 2019; and
- with respect to the remaining 25% of those units on February 15, 2020.

The revenue and AFFO goals set forth above will exclude the impact of fluctuations in foreign currencies against the foreign currency rates used in the Company's 2017 operating plan.

The Board or Committee may adjust the revenue and AFFO goals set forth above from time to time prior to the 2017 fiscal year end to take into account the financial impacts of discontinued operations, the cumulative effect of accounting changes, acquisitions or divestitures, sales of assets and/or IBX expansions not currently contemplated by the Company.

Any Restricted Stock Units, and Dividend Equivalents thereon, that fail to vest based on the Company's achievement of revenue and AFFO goals based on the matrix set forth on Exhibit A hereto shall be forfeited to the Company immediately following the certification by the Board or Committee of the Company's achievement of the revenue and AFFO goals for 2017.

In the event of a Change in Control before the end of the 2017 fiscal year, vesting of these Restricted Stock Units, and any Dividend Equivalent thereon, shall no longer be dependent on achievement of the revenue and AFFO goals described above. Instead, subject to your continued Service through the applicable vesting date, 50% of the Target Restricted Stock Units, and any Dividend Equivalent thereon, will vest on February 15, 2018, 25% of the Target Restricted Stock Units, and any Dividend Equivalent thereon, will vest on February 15, 2019 and the remaining 25% of the Target Restricted Stock Units, and any Dividend Equivalent thereon, will vest on February 15, 2020. The remaining Restricted Stock Units, and any Dividend Equivalents thereon, shall be forfeited to the Company (and such forfeited Restricted Stock Units, and any Dividend Equivalents thereon, will not accelerate in the event this Award is not assumed or substituted with a new award).

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

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

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

Recipient:	**Equinix, Inc.**
Signature: ________________________________	By: /s/ Stephen M. Smith
Print Name: ________________________________	Title: CEO & President
Date: ____________________________________	

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

Payment for Shares	No payment is required for the Restricted Stock Units, and any Dividend Equivalents thereon, you receive.
Vesting	The Restricted Stock Units, and any Dividend Equivalents thereon, that you are receiving will vest in accordance with the Vesting Schedule stated in the Notice of Restricted Stock Unit Award for Executives; provided, however, that if your Service terminates due to your death then, if and to the extent Restricted Stock Units, and any Dividend Equivalent thereon, have been earned based on the actual performance results as certified by the Board or Committee based on the matrix set forth on Exhibit A hereto, the portion of the Restricted Stock Units, and any Dividend Equivalents thereon, that would have become vested on the next scheduled vesting date will become vested and the underlying shares (and cash equal to the Dividend Equivalents thereon) will be released to your estate not later than December 31 of the calendar year following your death. No additional Restricted Stock Units, or any Dividend Equivalents thereon, vest after your Service has terminated for any reason. It is intended that vesting in the Restricted Stock Units, and any Dividend Equivalents thereon, is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the provision below entitled “Leaves of Absence and Part-Time Work.”
Dividend Equivalents	You will be credited with Dividend Equivalents equal to the dividends you would have received if you had been the record owner of the Common Stock underlying the Restricted Stock Units on each dividend record date on or after the Date of Grant and through the date you receive a settlement pursuant to the provision below entitled “Settlement of Units” (the “Dividend Equivalent”). Dividend Equivalents shall be subject to the same terms and conditions as the Restricted Stock Units originally awarded pursuant to this Agreement, and they shall vest (or, if applicable, be forfeited) as if they had been granted at the same time as the original Restricted Stock Unit award. If a dividend on the Common Stock is payable wholly or partially in Common Stock, the Dividend Equivalent representing that portion shall be in the form of additional Restricted Stock Units, credited on a one-for-one basis. If a dividend on the Common Stock is payable wholly or partially in cash, the Dividend Equivalent representing that portion shall be in the form of cash, which will be paid to you, without interest, as described below in the provision “Settlement of Units;” provided, however, that the Committee may, in its discretion, provide that the cash portion of any extraordinary distribution on the Common Stock shall be in the form of additional Restricted Stock Units. If a dividend on the Common Stock is payable wholly or partially in other than cash or Common Stock, the Committee may, in its discretion, provide for such Dividend Equivalents with respect to that portion as it deems appropriate under the circumstances.
Settlement of Units	Each Restricted Stock Unit, and any Dividend Equivalents thereon, will be settled on the first Trading Day that occurs on or after the day when the Restricted Stock Unit vests. However, each Restricted Stock Unit, and any Dividend Equivalents thereon, must be settled not later than March 15 of the calendar year after the calendar year in which the Restricted Stock Unit vests (or December 31 of such calendar year in the case of your death, as described above in the provision entitled “Vesting”). At the time of settlement, you will receive one share of the Company’s Common Stock for each vested Restricted Stock Unit and an amount of cash, without additional earnings and rounded to the nearest whole cent, equal to (i) any fractional shares and (ii) the cash portion of the accumulated Dividend Equivalents applicable to the vested Restricted Stock Units, less any Tax-Related Items withholding. Any cash may be distributed to you directly or may be used to offset the amount of any Tax-Related Items withholding arising from the vesting/settlement of the Restricted Stock Units and any Dividend Equivalents thereon.
Trading Day	“Trading Day” means a day that satisfies each of the following requirements: • The Nasdaq Global Market is open for trading on that day; • You are permitted to sell shares of Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act; • Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company’s Common Stock on that day under Rule 10b-5 of the U.S. Securities and Exchange Commission or (b) you have a trading plan that complies with the requirements of Rule 10b5-1(c)(1) of the Securities Exchange Act that covers the shares underlying the vesting Restricted Stock Units; • Under the Company’s Insider Trading Policy, you are permitted to sell shares of Common Stock on that day, and • You are not prohibited from selling shares of Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control, vesting of the Target Restricted Stock Units, and any Dividend Equivalents thereon, will automatically accelerate in full as described in Article X of the Plan. However, vesting of the Target Restricted Stock Units, and any Dividend Equivalents thereon, will not automatically accelerate if and to the extent the Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Committee, and its determination will be final, binding and conclusive.

In addition, you will vest as to 50% of the unvested Target Restricted Stock Units, and any Dividend Equivalents thereon, if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control.

Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units, and any Dividend Equivalents thereon, from Section 409A of the Code or (b) comply with Section 409A of the Code.

Qualifying Termination A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control; provided, however, that the grounds for Good Reason may arise at any time within the 12 months following the Change in Control.

Cause means your unauthorized use or disclosure of trade secrets that causes material harm to the Company, your conviction of, or a plea of “guilty” or “no contest” to, a felony or your gross misconduct.

Good Reason means: (i) a material diminution in your authority, duties or responsibilities; (ii) a material reduction in your level of compensation (including base salary and target bonus) other than pursuant to a Company-wide reduction of compensation where the reduction affects the other executive officers and your reduction is substantially equal, on a percentage basis, to the reduction of the other executive officers; or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent. [1]

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

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

Forfeiture If your Service terminates for any reason, then your Restricted Stock Units, and any Dividend Equivalents thereon, will be forfeited to the extent that they have not vested before the termination date, unless there is vesting acceleration in the event of a Qualifying Termination or in the event of your death. This means that the Restricted Stock Units, and any Dividend Equivalents thereon, will immediately revert to the Company. You receive no payment for Restricted Stock Units, and any Dividend Equivalents thereon, that are forfeited. The Committee determines when your Service terminates for this purpose.

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[1] Note: Executives apart from the CEO, CFO, CLO & CHRO have the following definition of “Good Reason”:
Good Reason means: (i) a material diminution in your authority, duties or responsibilities, provided, however, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, you retain substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this subclause (i); (ii) a 10% or greater reduction in your level of compensation, which will be determined based on an average of your annual Total Direct Compensation for the prior three calendar years or, if less, the number of years you have been employed by the Company (referred to below as the “look-back years”); or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent. For purposes of the foregoing, Total Direct Compensation means total target cash compensation (annual base salary plus target annual cash incentives) plus the grant value of equity awards, determined at the time of grant, based on the total stock compensation (ASC Topic 718) expense associated with that award; provided, however, that if you commenced employment with the Company during the look-back years, only one-third of the grant value of the equity grant attributable to commencement of employment shall be counted.

Leaves of Absence and Part-Time Work

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

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

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

The Company shall not be required to adjust any vesting schedule pursuant to this provision. Further, the vesting schedule shall not be adjusted as described in this provision to the extent that the adjustment would cause the Restricted Stock Units to be subject to, or to violate, Section 409A of the Code.

Settlement / Stock Certificates

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

Section 409A

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

Stockholder Rights

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

Units Restricted

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

Withholding Taxes	Regardless of any action the Company and/or, if different, your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any Dividend Equivalents and dividends; and (b) do not commit to structure the terms of this Award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax-Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (i) withholding from any cash Dividend Equivalents or shares of Company stock that otherwise would be issued to you when they vest, (ii) surrendering shares that you previously acquired, (iii) deducting the withholding taxes from any cash compensation payable to you or (iv) withholding from proceeds of the sale of shares of Common Stock issued upon settlement of the Restricted Stock Units. Notwithstanding the foregoing, if you are an officer of the Company under section 16 of the Exchange Act, any withholding or surrender of shares of Common Stock pursuant to (i) or (ii) hereof will be approved in advance by the Board or Committee to the extent necessary to qualify such transaction as exempt under Exchange Act Rule 16b-3. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes. The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this provision.
Restrictions on Resale	You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

No Retention Rights	Except to the extent provided specifically in an agreement between you and the Company, neither this Award nor this Agreement gives you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause. In accepting this Award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement; (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, and any Dividend Equivalents thereon, or benefits in lieu of Restricted Stock Units, and any Dividend Equivalents thereon, even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your Service at any time with or without cause; (f) the Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any subsidiary of the Company, and that is outside the scope of your employment or service contract, if any; (g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any subsidiary of the Company; (h) in the event that you are not an employee of the Company, the Award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company and, furthermore, the Award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Employer or any other subsidiary of the Company; (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty; (j) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or from any diminution in value of the Award or shares of Common Stock acquired upon vesting of the Award resulting from termination of Service (for any reason whatsoever and whether or not in breach of local labor laws); (k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock; and (l) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.
Adjustments	In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Restricted Stock Units that will vest in any future installments will be adjusted accordingly, as provided for in the Plan.
Repayment / Forfeiture	Any benefits you may receive hereunder shall be subject to repayment or forfeiture as may be required to comply with (i) any applicable listing standards of a national securities exchange adopted in accordance with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, (ii) recoupment requirements under any other U.S. laws or under the laws of any other jurisdiction and (iii) any policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to you.
Insider Trading Restrictions / Market Abuse Laws	You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell shares of Common Stock or rights to shares of Common Stock under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions and that you are advised to speak to your personal legal advisor on this matter.
Severability	The provisions of this Agreement are severable and if any one or more provisions are determined to be invalid or otherwise enforceable, in whole or in part, the remaining provisions shall continue in effect.

Applicable Law	This Agreement will be interpreted and enforced with respect to issues of contract law under the laws of the State of Delaware (except their choice of law provisions). For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.
The Plan and Other Agreements	The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department. This Agreement and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded. This Agreement may be amended only by another written agreement between the parties.

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

EXHIBIT 10.36

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD
FOR EXECUTIVES

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

Name:
Employee Id #:

Restricted Stock Unit Award Details:

Date of Grant: February 16, 2017
Award Number:
Minimum Restricted Stock Units (0%):
Target Restricted Stock Units (100%):
Max Restricted Stock Units (200%):
Performance Period: **January 1, 2017 through December 31, 2019**

Each Restricted Stock Unit represents the right to receive one share of the Common Stock of the Company, and any Dividend Equivalents thereon prior to settlement, subject to the terms and conditions contained in this Notice of Restricted Stock Unit Award for Executives and the Restricted Stock Unit Agreement (together, the "Agreement"). Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the 2000 Equity Incentive Plan (the "Plan").

Vesting Schedule:

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

The Restricted Stock Units, and any Dividend Equivalents thereon, shall vest in a number of shares determined based on the total shareholder return ("TSR") of the Company's Common Stock ("EQIX") against the IWB Russell 1000 Index Fund (the "Index"), calculated using the 30-day trading averages for both EQIX and the Index prior to the start (January 1, 2017) and end (December 31, 2019) of the Performance Period, and including the reinvestment of regular dividends paid by the Company and by the Index (provided both the Company and the Index are paying regular dividends). EQIX performance above and below that of the Index results in the scaling set forth on Exhibit A hereto. The number of Restricted Stock Units, and any Dividend Equivalents thereon, vesting under the award may range from 0% to 200% of the Target Restricted Stock Units as further illustrated on the attached Exhibit A.

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

In the event of a Change in Control before the end of the 2019 fiscal year, the Performance Period shall be deemed terminated as of the effective date of the Change in Control (the "Shortened Performance Period"), such that TSR shall be calculated against the Index using the 30-day trading averages for both EQIX and the Index at the start and end of the Shortened Performance Period, including reinvested dividends (provided both the Company and the Index are paying regular dividends), to determine the number of the Restricted Stock Units, and any Dividend Equivalents thereon, that are deemed earned in an amount ranging from 0% to 200% as further illustrated on the attached Exhibit A, but that will remain unvested until December 31, 2019, except as otherwise provided in the Plan and the Agreement. The remaining unearned Restricted Stock Units, and Dividend Equivalents thereon, shall be forfeited to the Company upon such Change in Control (and such forfeited Restricted Stock Units, and any Dividend Equivalents thereon, will not accelerate in the event this Award is not assumed or substituted with a new award).

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

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

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

Recipient:	**Equinix, Inc.**
Signature: ________________________________	By: /s/ Stephen M. Smith
Print Name: ______________________________	Title: CEO & President
Date: ____________________________________	

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

Payment for Shares

No payment is required for the Restricted Stock Units, and any Dividend Equivalents thereon, you receive.

Vesting

The Restricted Stock Units, and any Dividend Equivalents thereon, that you are receiving will vest in accordance with the Vesting Schedule stated in the Notice of Restricted Stock Unit Award for Executives.

No additional Restricted Stock Units, or any Dividend Equivalents thereon, vest after your Service has terminated for any reason. It is intended that vesting in the Restricted Stock Units, and any Dividend Equivalents thereon, is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the provision below entitled "Leaves of Absence and Part-Time Work."

Dividend Equivalents

You will be credited with Dividend Equivalents equal to the dividends you would have received if you had been the record owner of the Common Stock underlying the Restricted Stock Units on each dividend record date on or after the Date of Grant and through the date you receive a settlement pursuant to the provision below entitled "Settlement of Units" (the "Dividend Equivalent"). Dividend Equivalents shall be subject to the same terms and conditions as the Restricted Stock Units originally awarded pursuant to this Agreement, and they shall vest (or, if applicable, be forfeited) as if they had been granted at the same time as the original Restricted Stock Unit award. If a dividend on the Common Stock is payable wholly or partially in Common Stock, the Dividend Equivalent representing that portion shall be in the form of additional Restricted Stock Units, credited on a one-for-one basis. If a dividend on the Common Stock is payable wholly or partially in cash, the Dividend Equivalent representing that portion shall be in the form of cash, which will be paid to you, without interest, as described below in the provision "Settlement of Units;" provided, however, that the Committee may, in its discretion, provide that the cash portion of any extraordinary distribution on the Common Stock shall be in the form of additional Restricted Stock Units. If a dividend on the Common Stock is payable wholly or partially in other than cash or Common Stock, the Committee may, in its discretion, provide for such Dividend Equivalents with respect to that portion as it deems appropriate under the circumstances.

Settlement of Units

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

At the time of settlement, you will receive one share of the Company's Common Stock for each vested Restricted Stock Unit and an amount of cash, without additional earnings and rounded to the nearest whole cent, equal to (i) any fractional shares and (ii) the cash portion of the accumulated Dividend Equivalents applicable to the vested Restricted Stock Units, less any Tax-Related Items withholding. Any cash may be distributed to you directly or may be used to offset the amount of any Tax-Related Items withholding arising from the vesting/settlement of the Restricted Stock Units and any Dividend Equivalents thereon.

Trading Day

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

- The Nasdaq Global Market is open for trading on that day;
- You are permitted to sell shares of Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act;
- Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company's Common Stock on that day under Rule 10b-5 of the U.S. Securities and Exchange Commission or (b) you have a trading plan that complies with the requirements of Rule 10b5-1(c)(1) of the Securities Exchange Act that covers the shares underlying the vesting Restricted Stock Units;
- Under the Company's Insider Trading Policy, you are permitted to sell shares of Common Stock on that day, and
- You are not prohibited from selling shares of Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control

Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control, vesting of the Target Restricted Stock Units, and any Dividend Equivalents thereon, will automatically accelerate in full as described in Article X of the Plan. However, vesting of the Target Restricted Stock Units, and any Dividend Equivalents thereon, will not automatically accelerate if and to the extent the Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Committee, and its determination will be final, binding and conclusive.

In addition, you will vest as to 50% of the unvested Restricted Stock Units, and any Dividend Equivalents thereon, if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control.

Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units, and any Dividend Equivalents thereon, from Section 409A of the Code or (b) comply with Section 409A of the Code.

Qualifying Termination

A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control; provided, however, that the grounds for Good Reason may arise at any time within the 12 months following the Change in Control.

Cause means your unauthorized use or disclosure of trade secrets that causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony or your gross misconduct.

Good Reason means: (i) a material diminution in your authority, duties or responsibilities; (ii) a material reduction in your level of compensation (including base salary and target bonus) other than pursuant to a Company-wide reduction of compensation where the reduction affects the other executive officers and your reduction is substantially equal, on a percentage basis, to the reduction of the other executive officers; or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent.[1]

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

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

Forfeiture

If your Service terminates for any reason, then your Restricted Stock Units, and any Dividend Equivalents thereon, will be forfeited to the extent that they have not vested before the termination date, unless there is vesting acceleration in the event of a Qualifying Termination. This means that the Restricted Stock Units, and any Dividend Equivalents thereon, will immediately revert to the Company. You receive no payment for Restricted Stock Units, and any Dividend Equivalents thereon, that are forfeited. The Committee determines when your Service terminates for this purpose.

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[1] Note: Executives apart from the CEO, CFO, CLO & CHRO have the following definition of "Good Reason":
Good Reason means: (i) a material diminution in your authority, duties or responsibilities, provided, however, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, you retain substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this subclause (i); (ii) a 10% or greater reduction in your level of compensation, which will be determined based on an average of your annual Total Direct Compensation for the prior three calendar years or, if less, the number of years you have been employed by the Company (referred to below as the "look-back years"); or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent. For purposes of the foregoing, Total Direct Compensation means total target cash compensation (annual base salary plus target annual cash incentives) plus the grant value of equity awards, determined at the time of grant, based on the total stock compensation (ASC Topic 718) expense associated with that award; provided, however, that if you commenced employment with the Company during the look-back years, only one-third of the grant value of the equity grant attributable to commencement of employment shall be counted.

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

Withholding Taxes

Regardless of any action the Company and/or, if different, your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any Dividend Equivalents and dividends; and (b) do not commit to structure the terms of this Award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax-Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (i) withholding from any cash Dividend Equivalents or shares of Company stock that otherwise would be issued to you when they vest, (ii) surrendering shares that you previously acquired, (iii) deducting the withholding taxes from any cash compensation payable to you or (iv) withholding from proceeds of the sale of shares of Common Stock issued upon settlement of the Restricted Stock Units. Notwithstanding the foregoing, if you are an officer of the Company under section 16 of the Exchange Act, any withholding or surrender of shares of Common Stock pursuant to (i) or (ii) hereof will be approved in advance by the Board or Committee to the extent necessary to qualify such transaction as exempt under Exchange Act Rule 16b-3. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes.

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

Restrictions on Resale

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

No Retention Rights

Except to the extent provided specifically in an agreement between you and the Company, neither this Award nor this Agreement gives you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

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

Adjustments

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

Repayment/Forfeiture

Any benefits you may receive hereunder shall be subject to repayment or forfeiture as may be required to comply with (i) any applicable listing standards of a national securities exchange adopted in accordance with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, (ii) recoupment requirements under any other U.S. laws or under the laws of any other jurisdiction and (iii) any policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to you.

Insider Trading Restrictions / Market Abuse Laws

You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell shares of Common Stock or rights to shares of Common Stock under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions and that you are advised to speak to your personal legal advisor on this matter.

Severability

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

Applicable Law	This Agreement will be interpreted and enforced with respect to issues of contract law under the laws of the State of Delaware (except their choice of law provisions). For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.
The Plan and Other Agreements	The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department. This Agreement and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded. This Agreement may be amended only by another written agreement between the parties.

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

Exhibit A

Ramped Accelerator/Decelerator (0% Min Payout)						
Index	**Russell 1000 - IWB Fund**			**Performance**	**Payout**	**Scale**
Perf. Period	**3 years**			**>50%**	**200%**	**2:1**
TSR Calc.	**EQIX vs. Russell 1000**			**+50%**	**200%**	**2:1**
				+40%	**180%**	**2:1**
Min TSR for payout	**NA**			**+30%**	**160%**	**2:1**
Minimum Payout	**0%**			**+25%**	**150%**	**2:1**
Maximum Payout	**200%**			**+20%**	**140%**	**2:1**
				+10%	**120%**	**2:1**
Performance Scale		**Above Index**	**2:1**	**+1%**	**102%**	**2:1**
		Index	**1:1**	**=**	**100%**	**1:1**
		Below Index	**2:1**	**-1%**	**98%**	**2:1**
				-10%	**80%**	**2:1**
				-20%	**60%**	**2:1**
				-30%	**40%**	**2:1**
				-35%	**30%**	**2:1**
				-40%	**20%**	**2:1**
				>-40%	**0%**	**2:1**

TSR calculation to include reinvested regular dividends paid by both the Company and the Index; provided both the Company and the Index are paying regular dividends.

EXHIBIT 10.37

Equinix, Inc. 2000 Equity Incentive Plan
Notice of Restricted Stock Unit Award
For Executives

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

Name:
Employee Id #:
Restricted Stock Unit Award Details:

Date of Grant: February 16, 2017
Award Number:
Number of Restricted Stock Units:

Each Restricted Stock Unit represents the right to receive one share of the Common Stock of the Company, and any Dividend Equivalents thereon prior to settlement, subject to the terms and conditions contained in this Notice of Restricted Stock Unit Award for Executives and the Restricted Stock Unit Agreement (together, the "Agreement"). Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the 2000 Equity Incentive Plan (the "Plan").

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period. The Restricted Stock Units, and any Dividend Equivalents thereon, shall vest at the following times:

- with respect to 33 1/3% of those units on the first Trading Day that coincides with or follows January 15, 2018;
- with respect to 33 1/3% of those units on the first Trading Day that coincides with or follows January 15, 2019; and
- with respect to 33 1/3% of those units on the first Trading Day that coincides with or follows January 15, 2020.

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

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

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

Recipient: **Equinix, Inc.**

Signature: ______________________________ By: /s/ Stephen M. Smith

Print Name: ______________________________ Title: CEO & President

Date: ______________________________

Equinix, Inc. 2000 Equity Incentive Plan

Restricted Stock Unit Agreement

Payment for Shares No payment is required for the Restricted Stock Units, and any Dividend Equivalents thereon, you receive.

Vesting The Restricted Stock Units, and any Dividend Equivalents thereon, that you are receiving will vest in accordance with the Vesting Schedule stated in the Notice of Restricted Stock Unit Award for Executives; provided, however, that if your Service terminates due to your death then, if and to the extent Restricted Stock Units, and any Dividend Equivalent thereon, have been earned based on the actual performance results as certified by the Board or Committee based on the matrix set forth on Exhibit A hereto, the portion of the Restricted Stock Units, and any Dividend Equivalents thereon, that would have become vested on the next scheduled vesting date will become vested and the underlying shares (and cash equal to the Dividend Equivalents thereon) will be released to your estate not later than December 31 of the calendar year following your death.

No additional Restricted Stock Units, or any Dividend Equivalents thereon, vest after your Service has terminated for any reason. It is intended that vesting in the Restricted Stock Units, and any Dividend Equivalents thereon, is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the provision below entitled "Leaves of Absence and Part-Time Work."

Dividend Equivalents You will be credited with Dividend Equivalents equal to the dividends you would have received if you had been the record owner of the Common Stock underlying the Restricted Stock Units on each dividend record date on or after the Date of Grant and through the date you receive a settlement pursuant to the provision below entitled "Settlement of Units" (the "Dividend Equivalent"). Dividend Equivalents shall be subject to the same terms and conditions as the Restricted Stock Units originally awarded pursuant to this Agreement, and they shall vest (or, if applicable, be forfeited) as if they had been granted at the same time as the original Restricted Stock Unit award. If a dividend on the Common Stock is payable wholly or partially in Common Stock, the Dividend Equivalent representing that portion shall be in the form of additional Restricted Stock Units, credited on a one-for-one basis. If a dividend on the Common Stock is payable wholly or partially in cash, the Dividend Equivalent representing that portion shall be in the form of cash, which will be paid to you, without interest, as described below in the provision "Settlement of Units;" provided, however, that the Committee may, in its discretion, provide that the cash portion of any extraordinary distribution on the Common Stock shall be in the form of additional Restricted Stock Units. If a dividend on the Common Stock is payable wholly or partially in other than cash or Common Stock, the Committee may, in its discretion, provide for such Dividend Equivalents with respect to that portion as it deems appropriate under the circumstances.

Settlement of Units Each Restricted Stock Unit, and any Dividend Equivalents thereon, will be settled on the first Trading Day that occurs on or after the day when the Restricted Stock Unit vests. However, each Restricted Stock Unit, and any Dividend Equivalents thereon, must be settled not later than March 15 of the calendar year after the calendar year in which the Restricted Stock Unit vests (or December 31 of such calendar year in the case of your death, as described above in the provision entitled "Vesting").

At the time of settlement, you will receive one share of the Company's Common Stock for each vested Restricted Stock Unit and an amount of cash, without additional earnings and rounded to the nearest whole cent, equal to (i) any fractional shares and (ii) the cash portion of the accumulated Dividend Equivalents applicable to the vested Restricted Stock Units, less any Tax-Related Items withholding. Any cash may be distributed to you directly or may be used to offset the amount of any Tax-Related Items withholding arising from the vesting/settlement of the Restricted Stock Units and any Dividend Equivalents thereon.

Trading Day

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

- The Nasdaq Global Market is open for trading on that day;
- You are permitted to sell shares of Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act;
- Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company's Common Stock on that day under Rule 10b-5 of the U.S. Securities and Exchange Commission or (b) you have a trading plan that complies with the requirements of Rule 10b5-1(c)(1) of the Securities Exchange Act that covers the shares underlying the vesting Restricted Stock Units;
- Under the Company's Insider Trading Policy, you are permitted to sell shares of Common Stock on that day, and
- You are not prohibited from selling shares of Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control

Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control, vesting of the Target Restricted Stock Units, and any Dividend Equivalents thereon, will automatically accelerate in full as described in Article X of the Plan. However, vesting of the Target Restricted Stock Units, and any Dividend Equivalents thereon, will not automatically accelerate if and to the extent the Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Committee, and its determination will be final, binding and conclusive.

In addition, you will vest as to 50% of the unvested Target Restricted Stock Units, and any Dividend Equivalents thereon, if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control.

Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units, and any Dividend Equivalents thereon, from Section 409A of the Code or (b) comply with Section 409A of the Code.

Qualifying Termination

A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control; provided, however, that the grounds for Good Reason may arise at any time within the 12 months following the Change in Control.

Cause means your unauthorized use or disclosure of trade secrets that causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony or your gross misconduct.

Good Reason means: (i) a material diminution in your authority, duties or responsibilities; (ii) a material reduction in your level of compensation (including base salary and target bonus) other than pursuant to a Company-wide reduction of compensation where the reduction affects the other executive officers and your reduction is substantially equal, on a percentage basis, to the reduction of the other executive officers; or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent.[1]

[1] Note: Executives apart from the CEO, CFO, CLO & CHRO have the following definition of "Good Reason":
Good Reason means: (i) a material diminution in your authority, duties or responsibilities, provided, however, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, you retain substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this subclause (i); (ii) a 10% or greater reduction in your level of compensation, which will be determined based on an average of your annual Total Direct Compensation for the prior three calendar years or, if less, the number of years you have been employed by the Company (referred to below as the "look-back years"); or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent. For purposes of the foregoing, Total Direct Compensation means total target cash compensation (annual base salary plus target annual cash incentives) plus the grant value of equity awards, determined at the time of grant, based on the total stock compensation (ASC Topic 718) expense associated with that award; provided, however, that if you commenced employment with the Company during the look-back years, only one-third of the grant value of the equity grant attributable to commencement of employment shall be counted.

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

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

Forfeiture

If your Service terminates for any reason, then your Restricted Stock Units, and any Dividend Equivalents thereon, will be forfeited to the extent that they have not vested before the termination date, unless there is vesting acceleration in the event of a Qualifying Termination or in the event of your death. This means that the Restricted Stock Units, and any Dividend Equivalents thereon, will immediately revert to the Company. You receive no payment for Restricted Stock Units, and any Dividend Equivalents thereon, that are forfeited. The Committee determines when your Service terminates for this purpose.

Leaves of Absence and Part-Time Work

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

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

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

The Company shall not be required to adjust any vesting schedule pursuant to this provision. Further, the vesting schedule shall not be adjusted as described in this provision to the extent that the adjustment would cause the Restricted Stock Units to be subject to, or to violate, Section 409A of the Code.

Settlement / Stock Certificates

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

Section 409A

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

Stockholder Rights

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

Units Restricted

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

Withholding Taxes	Regardless of any action the Company and/or, if different, your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any Dividend Equivalents and dividends; and (b) do not commit to structure the terms of this Award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax-Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (i) withholding from any cash Dividend Equivalents or shares of Company stock that otherwise would be issued to you when they vest, (ii) surrendering shares that you previously acquired, (iii) deducting the withholding taxes from any cash compensation payable to you or (iv) withholding from proceeds of the sale of shares of Common Stock issued upon settlement of the Restricted Stock Units. Notwithstanding the foregoing, if you are an officer of the Company under section 16 of the Exchange Act, any withholding or surrender of shares of Common Stock pursuant to (i) or (ii) hereof will be approved in advance by the Board or Committee to the extent necessary to qualify such transaction as exempt under Exchange Act Rule 16b-3. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes. The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this provision.
Restrictions on Resale	You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

No Retention Rights	Except to the extent provided specifically in an agreement between you and the Company, neither this Award nor this Agreement gives you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause. In accepting this Award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement; (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, and any Dividend Equivalents thereon, or benefits in lieu of Restricted Stock Units, and any Dividend Equivalents thereon, even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your Service at any time with or without cause; (f) the Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any subsidiary of the Company, and that is outside the scope of your employment or service contract, if any; (g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any subsidiary of the Company; (h) in the event that you are not an employee of the Company, the Award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company and, furthermore, the Award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Employer or any other subsidiary of the Company; (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty; (j) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or from any diminution in value of the Award or shares of Common Stock acquired upon vesting of the Award resulting from termination of Service (for any reason whatsoever and whether or not in breach of local labor laws); (k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock; and (l) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.
Adjustments	In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Restricted Stock Units that will vest in any future installments will be adjusted accordingly, as provided for in the Plan.
Repayment/Forfeiture	Any benefits you may receive hereunder shall be subject to repayment or forfeiture as may be required to comply with (i) any applicable listing standards of a national securities exchange adopted in accordance with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, (ii) recoupment requirements under any other U.S. laws or under the laws of any other jurisdiction and (iii) any policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to you.
Insider Trading Restrictions / Market Abuse Laws	You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell shares of Common Stock or rights to shares of Common Stock under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions and that you are advised to speak to your personal legal advisor on this matter.
Severability	The provisions of this Agreement are severable and if any one or more provisions are determined to be invalid or otherwise enforceable, in whole or in part, the remaining provisions shall continue in effect.

Applicable Law	This Agreement will be interpreted and enforced with respect to issues of contract law under the laws of the State of Delaware (except their choice of law provisions). For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.
The Plan and Other Agreements	The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department. This Agreement and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded. This Agreement may be amended only by another written agreement between the parties.

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

EXHIBIT 10.39

EQUINIX, INC.
ANNUAL INCENTIVE PLAN
(Adopted by the Compensation Committee of the Board of Directors
of the Company on February 16, 2017)

PLAN OBJECTIVES

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

CERTAIN DEFINITIONS

For purposes of the AIP, the following terms shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

Applicable Accounting Standard - "Applicable Accounting Standards" means Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under United States federal securities laws from time to time.

Base Salary - "Base Salary" shall mean, for a Participant other than Executive Staff, the Participant's total base salary paid during the Performance Period, and for a Participant who is Executive Staff, the base salary rate that is approved by the Committee for the Participant with respect to the Performance Period.

Bonus Award - "Bonus Award" means a bonus award granted pursuant to the AIP entitling the Participant to cash or shares of Common Stock upon attainment of the Performance Goals and the satisfaction of the other terms and conditions set forth herein and in accordance with the provisions of the AIP.

Bonus Target - "Bonus Target" means a percentage of a Participant's Base Salary established by the Committee.

Bonus Target Amount - "Bonus Target Amount" means an amount equal to (a) the product of (i) the Participant's Base Salary, multiplied by (b) the Participant's Bonus Target.

Bonus Award Agreement - "Bonus Award Agreement" means the agreement, contract or other instrument or document evidencing the terms and conditions of a Bonus Award, including through electronic medium.

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

Committee - "Committee" means the Compensation Committee with respect to the administration of the AIP with respect to Participants who are Executive Staff and means a committee consisting of the Chief Executive Officer of the Company with respect to Participants who are not Executive Staff.

Compensation Committee - "Compensation Committee" means the Compensation Committee of the Board of Directors of the Company.

Common Stock - "Common Stock" means the common stock, par value $0.001 per share, of the Company.

Eligible Individual - "Eligible Individual" has the meaning ascribed to such term under the heading "Eligibility/Participation; Eligible Employee.

Equity Incentive Plan - "Equity Incentive Plan" means the Equinix, Inc. 2000 Equity Incentive Plan, as amended, or any successor plan thereto.

Executive Staff - "Executive Staff" means an Eligible Individual who has been designated by the Committee as a member of the Executive Staff.

Fair Market Value. "Fair Market Value" has the meaning ascribed to such term in the Equity Incentive Plan.

Maximum Goal Factor. "Maximum Goal Factor" means a percentage established by the Committee with respect to a Bonus Award and Performance Period, and representing the maximum percentage that may be determined to have been attained as a Performance Goal Attainment Factor.

Participant - "Participant" means an Eligible Individual selected by the Committee to be granted a Bonus Award hereunder.

Participation Period Factor - "Participation Period Factor" means a fraction, the numerator of which is the number of days the Participant was actively employed with the Company (or Company subsidiary) during the Performance Period or employed in a specified position, as applicable, and the denominator of which is the number of days contained in the Performance Period. The Committee, in its sole discretion, may adjust the Participation Period Factor.

Performance Criteria - "Performance Criteria" means any criteria that the Committee determines in its sole discretion, including, without limitation, individual performance or, with respect to the Company, a subsidiary of the Company, or any business unit thereof, any one or more or any combination of the following: adjusted funds from operations, net earnings or net income (before or after taxes), operating income, earnings per share, net sales or revenue growth, adjusted net income, net operating profit or income, return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue), cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, and cash flow return on investment), earnings before or after taxes, interest, depreciation, and/or amortization, gross or operating margins, productivity ratios, share price (including, but not limited to, growth measures and total stockholder return), cost control, margins, operating efficiency, market share, customer satisfaction or employee satisfaction, working capital, management development, succession planning, taxes, depreciation and amortization or economic value added.

Performance Period - "Performance Period" means the fiscal year of the Company over which attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and payment of, a Bonus Award. Alternatively, the Committee may establish a Performance Period having a duration that is different than the fiscal year of the Company. A Performance Period may overlap with any other Performance Period under the AIP. The Committee, in its sole discretion, may adjust the duration of the Performance Period at any time before the term of the originally established Performance Period has expired.

Performance Goal - "Performance Goal" has the meaning ascribed to such term under the heading "Bonus Awards; Performance Goals."

Performance Goal Attainment Factor - "Performance Goal Attainment Factor" means a percentage ranging from 0% to the Maximum Goal Factor representing the rate at which the Performance Goals have been attained as determined by the Committee.

ELIGIBILITY/PARTICIPATION

Eligible Employees. The Committee, in its sole discretion, may grant a Bonus Award relating to a given Performance Period to one or more individuals meeting the requirements set forth in this section, as the Committee selects ("Eligible Employees"). All full-time and part-time employees of the Company and employees of the Company's subsidiaries other than commissioned sales employees and employees participating in Management by Objectives Plans are eligible to be selected to receive a grant of a Bonus Award under the AIP. Employees who are new hires are eligible to be selected to participate in the AIP as of their hire date. An employee with a start date on or after October 1st (or such other date established by the Committee at the commencement of the Performance Period) following the commencement of the Performance Period will not be eligible to participate in the AIP with respect to the ongoing Performance Period.

Bonus Award Payment Eligibility Requirements. To be eligible to receive the payment of a Bonus Award, a Participant must be employed by the Company or a participating subsidiary on the date when the Bonus Award is paid pursuant to the section below with the heading "Payment of Awards," and for avoidance of doubt, a Participant shall not eligible to receive the payment of a Bonus Award under the AIP if any of the following circumstances applies on the date a Bonus Award is scheduled to be paid:

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

BONUS AWARDS

Award Terms. At the time a Bonus Award is granted pursuant to this section, the Committee shall specify (a) the Participant's Bonus Target, (b) the Maximum Goal Factor that may be attained upon the achievement of the Performance Goals established hereunder, (c) the Performance Goal and any applicable adjustments and (d) a performance incentive pool amount, if any. A Participant's Bonus Target may be modified from time to time, for example, due to changes in the Company's financials or salary changes, until the end of the Performance Period.

Performance Goals. For each Performance Period in which one or more Eligible Employees is granted a Bonus Award, the Committee shall establish in writing one or more objectively determinable Performance Goals based on Performance Criteria for such Bonus Award. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a subsidiary, division, business unit, or an individual. Performance Goals may be determined on an absolute basis or relative to internal goals or relative to levels attained in prior years or related to other companies or indices or as ratios expressing relationships between two or more Performance Goals. The attainment of Performance Goals shall be determined in accordance with Applicable Accounting Standards or such other manner of determining whether and to what extend any specified Performance Goal has been achieved for the Performance Period.

The AIP links directly to the GPS Performance system. Bonus Awards are linked to a Participant's impact and value, and are intended to reward achievement of key results at both the Company and individual level. A Participant's performance will also be measured by a talent assessment and calibration process. Participants may receive less than the amount of their Bonus Target based upon the attainment of the Performance Goals. The degree to which a Participant achieves his/her Bonus Target amount (e.g., less than, equal to, or greater than the Bonus Target amount) represents the degree to which both the Participant and the Company achieve the Performance Goals.

Adjustments to Performance Goal Attainment. The Committee, in its sole discretion, may provide that one or more objectively determinable adjustments shall be made to the determination of the attainment of one or more of the Performance Goals. Such adjustments may include, but are not limited to, one or more of the following: (i) items related to a change in Applicable Accounting Standards; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (vii) items related to the sale or disposition of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under Applicable Accounting Standards; (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the Performance Period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquired in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; (xix) items attributable to expenses incurred in connection with a reduction in force or early retirement initiative; (xx) items relating to foreign exchange or currency transactions and/or fluctuations; or (xxi) items relating to any other unusual, infrequently occurring or nonrecurring events or changes in applicable law, Applicable Accounting Standards or business conditions. The Committee may make such adjustments to the determination of attainment of one or more of the Performance Goals as the Committee in its sole discretion deems appropriate.

Adjustments for Changes in Employment Position. The amount of a Bonus Award will be pro-rated based on the number of days a Participant serves in a given position during the Performance Period. For example, if a Participant is promoted from Senior Manager to Director, the amount of his/her Bonus Award will be calculated based upon the number of days the Participant served in each position. As another example, if a Participant is promoted from a non-commissioned position to a commissioned sales position, the amount of his/her Bonus Award will be pro-rated based on the number of days worked in a non-commissioned position.

PAYMENT OF AWARDS

Performance Goal Attainment Factor Determination. Following the completion of each Performance Period, the Committee shall determine whether the applicable Performance Goals were achieved for the Performance Period to which the Bonus Award relates and the Performance Goal Attainment Factor with respect to such Bonus Award.

Performance Goal Attainment Factor Modifications. In determining the amount payable to a Participant with respect to the Participant's Bonus Award, the Committee shall retain the right, in its sole discretion, to modify the Performance Goal Attainment Factors (resulting in a reduction, an increase or elimination (including to zero) of, the amount otherwise payable under the under the Bonus Award) to take into account recommendations of the Chief Executive Officer of the Company and/or such additional factors including qualitative factors, if any, that the Committee may deem relevant to the assessment of individual or corporate performance for the Performance Period.

Timing of Payment. Unless otherwise determined by the Committee, each Bonus Award shall be paid as soon as practicable after the Committee determines that the Performance Goals specified for such Bonus Award were in fact satisfied. It is intended that payment will be made no later than required to ensure that no amount paid or to be paid hereunder shall be subject to the provisions of Section 409A(a)(1)(B) of the Code and all payments are intended to be eligible for the short-term deferral exception to Section 409A of the Code.

Form of Payment; Tax Withholding. Each Bonus Award shall be paid in cash in a single lump sum. The Company shall be authorized to withhold, report or require a Participant to remit to the Company all required taxes and charges, including any federal, state, local or other taxes and social insurance contributions or payroll taxes, with respect to any taxable event concerning a Participant arising under the AIP. Amounts will be determined by the Company in U.S. dollars, but may be paid to employees outside the United States in local currency. Alternatively, the Bonus Award may be paid in the form of Common Stock or in a combination of cash and Common Stock. Bonus Award Payments made in Common Stock shall be made in accordance with the provisions of the Equity Incentive Plan.

Employment Terminations. Except as provided below under the heading "Change in Control," if a Participant's employment with the Company (or any of its subsidiaries, as applicable) is terminated for any reason other than death or disability prior to payment of any Bonus Award payment, all of the Participant's rights under the AIP shall terminate and the Participant shall not have any right to receive any further payments with respect to any Bonus Award granted under the AIP. The Committee, in its discretion, may determine what portion, if any, of the Participant's Bonus Award under the Plan should be paid if the Participant's employment has been terminated by reason of death or disability.

PLAN ADMINISTRATION

Committee. The AIP shall be administered by the Compensation Committee of the Board with respect to Participants who are Executive Staff and shall be administered by a committee consisting of the Chief Executive Officer with respect to Participants who are not Executive Staff.

Duties and Powers of Committee. It shall be the duty of the Committee to conduct the general administration of the AIP in accordance with its provisions. The Committee shall have the power to interpret the AIP, and to adopt such rules for the administration, interpretation and application of the AIP as are consistent therewith and to interpret, amend or revoke any such rules. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the AIP.

Determinations of the Committee or the Board. All actions taken and all interpretations and determinations made by the Committee or the Board shall be final and binding upon all Participants, the Company and all other interested persons. No members (or former members) of the Committee or the Board shall be personally liable for any action, inaction, determination or interpretation made in good faith with respect to the AIP or any Bonus Award, and all members of the Committee and the Board shall be fully protected by the Company in respect of any such action, determination or interpretation.

AMENDMENT, SUSPENSION OR TERMINATION OF AIP

The AIP is discretionary in nature, and the Committee (or the Board) may suspend, modify or terminate the AIP at any time or from time to time without advance notice.

MISCELLANEOUS

Recovery of Erroneously Awarded Compensation. If the Participant is now or is hereafter subject to the Company's Policy on Recoupment of Incentive Compensation (the "Compensation Recoupment Policy"), any similar policy providing for the recovery of Bonus Awards, proceeds, or payments to a Participant in the event of fraud or as required by applicable laws or governance considerations or in other similar circumstances, then this Bonus Award, and any payments therefrom, are subject to potential recovery by the Company under the circumstances set out in the Compensation Recoupment Policy or such other similar policy as in effect from time to time.

No Employment Guarantee. Nothing in the AIP shall interfere with or limit in any way the right of the Company or its subsidiary or affiliate, as applicable, to terminate any Participant's employment or service at any time, with or without cause. Except to the extent provided by applicable law or pursuant to a written agreement between the Participant and the Company or its subsidiary or affiliate, employment with the Company or its subsidiary or affiliates is on an at-will basis only. Nothing in this AIP shall constitute or shall be construed as an employment agreement between a Participant and the Company.

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

Governing Law; Venue. The AIP and all Bonus Awards shall be construed in accordance with and governed by the laws of the State of California, without regard to their conflict-of-law provisions or principles that might otherwise refer construction or interpretation of the AIP to the substantive law of another jurisdiction. Unless otherwise provided in a Bonus Award, recipients of a Bonus Award under the AIP are deemed to submit to the exclusive jurisdiction and venue of the Federal or state courts of the State of California, to resolve any and all issues that may arise out of or relate to the AIP or any related Bonus Award.

Not Pensionable Salary. Any payment for Bonus Awards made under the AIP will not form part of a Participant's pensionable salary.

Nonalienation of Benefits. Except as expressly provided herein, no Participant or his beneficiaries shall have the power or right to transfer, anticipate, or otherwise encumber the Participant's interest under the AIP. The provisions of the AIP shall inure to the benefit of each Participant and his beneficiaries, heirs, executors, administrators or successors in interest.

Severability. If any provision of this AIP is held invalid or unenforceable, the invalidity or unenforceability shall not affect the remaining parts of the AIP, and the AIP shall be enforced and construed as if such provision had not been included.

Section 409A. This AIP may be amended at any time, without the consent of any party, to avoid the application of Section 409A of the Code in a particular circumstance or that is necessary or desirable to satisfy any of the requirements under Section 409A of the Code, but the Company shall not be under any obligation to make any such amendment. Nothing in the AIP shall provide a basis for any person to take action against the Company or any subsidiary or affiliate based on matters covered by Section 409A of the Code, including the tax treatment of any amount paid or Bonus Award made under the AIP, and neither the Company nor any of its subsidiaries or affiliates shall under any circumstances have any liability to any Participant or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under the AIP, including taxes, penalties or interest imposed under Section 409A of the Code.

Effective Date. The AIP shall be effective as of January 1, 2017 (the "Plan Effective Date"). The Committee may grant Bonus Awards at any time on or after the Plan Effective Date.

EXHIBIT 10.40

Equinix, Inc.

Annual Incentive Plan

AWARD AGREEMENT FOR EXECUTIVE STAFF EMPLOYEES

(January 1, 2017 - December 31, 2017 Performance Period)

__**Bonus Award**__

Bonus Award - You are eligible to earn a Bonus Award with respect to the performance period commencing January 1 and ending December 31, 2017 (the "***Performance Period***"), subject to the terms and provisions of this Bonus Award Agreement (this "***Agreement***") and the Equinix, Inc. Annual Incentive Plan, as amended from time to time (the "***AIP***"). Unless and until the Committee determines that a Bonus Award is payable in the manner set forth below under the headings "Vesting" and "Payment," you will have no right to payment of the Bonus Award. Prior to payment of the Bonus Award, the Bonus Award represents an unsecured obligation of Equinix, Inc. (the " ***Company***"), payable (if at all) from the general assets of the Company.

YOUR FAILURE TO REJECT THIS AGREEMENT WITHIN 60 DAYS WILL CONSTITUTE YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS BONUS AWARD, AS SET FORTH IN THIS AGREEMENT AND THE AIP.

Definitions - All capitalized terms used in this Agreement without definition have the meanings ascribed them in the AIP.

Incorporation of Terms of AIP - The Bonus Award is subject to the terms and conditions of the AIP, which is incorporated herein by reference. In the event of any inconsistency between the AIP and this Agreement, the terms of the AIP will control.

__**Performance Goals**__

__Revenue/AFFO Goals__. The Performance Goals, which will based on the following two criteria, will be established prior to the end of the first quarter of the Performance Period by the Compensation Committee based on the operating plan approved by the Board for the Performance Period (the "***Operating Plan***"):

- Revenue of the Company
- Adjusted Funds from Operations ("***AFFO***")

Each Performance Goal will be weighted equally for purposes of determining the amount payable under the Bonus Award. The Performance Goals will be set forth in a matrix that will be separately communicated to you.

__Adjustments__. The determination of the attainment level of the Performance Goals will exclude the impact of one-time events affecting the attainment level of the Performance Goals, including, without limitation, expansion projects or acquisitions not contemplated under the Operating Plan. The determination of the attainment level of the Performance Goals will also exclude the impact of fluctuations in foreign currencies against the foreign currency rates used to determine the Operating Plan.

__Bonus Target Amount__. The Bonus Target Amount, which will be communicated to you separately, represents the amount that you are eligible to earn if the Performance Goals are attained at the target level (***i.e.***, 100%), subject to the terms and conditions set forth in the Agreement, including any adjustments to reflect individual performance.

__Below-Target Performance__. The aggregate amount that becomes payable under Bonus Awards with respect to each Performance Goal if performance is attained at the target level will be reduced by 20% for attainment levels at each percentage point below the target level. For instance, if the attainment of the AFFO Performance Goal is 2% below the target level performance, only 60% of the amount that becomes payable with respect to the AFFO Performance Goal based on attainment at the target level will become payable.

__Minimum Goals__. No Bonus Award will become payable if both of the Performance Goals are attained at 95% or a lower level.

__Enhanced "Stretch Goal" Bonus Award Amount__. For Participants other than the Executive Staff, an additional amount equal to 6% of the aggregate amount that becomes payable if the Performance Goal are attained at the target level will become available for Bonus Awards in the event the Performance Goals are attained at a level between the target level and the "stretch" target level established by the Compensation Committee.

Excess “Stretch Goal” Bonus Award Amounts. For participants other than Executive Staff, an additional amount equal to 19% of the aggregate amount that becomes payable if the Performance Goal are attained at the target level will become available for Bonus Awards in the event the Performance Goals are attained at a level in excess of the “stretch” target level established by the Compensation Committee.

Vesting

Vesting - Except as expressly provided in this Agreement, if the Committee determines that the Performance Goals for the Performance Period have been met and the other terms and conditions set forth in the AIP have been satisfied, you will be entitled to receive payment of Bonus Award Payment. Except as expressly provided in this Agreement, you will not be eligible to receive payment of the Bonus Award if you have not been continuously and actively been employed with Equinix or an Affiliate (the “ **Employer**”) through the date of payment described under the heading “Payment” or any of the following circumstances apply on the date of payment without any further action by the Company or the Committee:

- you are on a Performance Improvement Plan;
- you are on notice (whether given or received) for a termination of employment with the Employer;
- you on garden or similar non-paid leave; and/or
- you have been suspended from your duties for any reason and/or are subject to ongoing proceedings.

You will not be considered to be continuously and actively employed with the Employer once you have stopped providing services, notwithstanding any notice period mandated under the employment laws of the country where you reside (***e.g.***, active employment would not include a period of “garden leave” or similar period pursuant to the employment laws of the country where you resides), unless otherwise determined by the Company on a country-by-country basis.

Unless otherwise determined by the Committee, a leave of absence will not constitute a termination of continuous service. The Committee has the exclusive discretion to determine when you are no longer actively employed for purposes of the Bonus Award, subject to compliance with Section 409A of the Code.

Payment

Cash Payment - Any Bonus Payment Award that becomes payable in accordance with the terms under the heading “Vesting” will be paid in cash.

Payment Timing - Except as otherwise provided in the following sentence, the Bonus Award Payment will be paid as soon as practicable following the date the Committee determines the Performance Goal Attainment Factor and determines a Bonus Award has vested and is payable for the Performance Period.

Payment Amount -The Committee retains the right, in its sole discretion, to modify the determination of the Performance Goal Attainment Factors (resulting in a reduction, an increase or elimination (including to zero) of, the amount of the Bonus Award Payment) to take into account recommendations of the Chief Executive Officer of the Company and/or such additional factors including qualitative factors, if any, that the Committee may deem relevant to the assessment of individual or corporate performance for the Performance Period.

New Hires - If you begin employment with the Employer following the commencement of the Performance Period, the amount of a Bonus Award Payment, if any, that becomes payable will be pro rated by multiplying the Bonus Award Payment by the Participation Period Factor.

Change in Employment Position - If you change employment positions with the Employer such that the Bonus Target allocated to the new position is different than the Bonus Target allocated to the former position, then the amount of the Bonus Award Payment, if any, that becomes payable will be equal to the sum of (a) the Bonus Award Payment calculated based on the Bonus Target applicable prior to the change in the employment position, multiplied by the Participation Period Factor, plus (b) the Bonus Award Payment calculated based on the Bonus Target applicable following the change in the employment position, multiplied by the Participation Period Factor.

Responsibility for Taxes/Tax Withholding - You must make full payment to your Employer of all income tax, payroll tax, payment on account, and social insurance contribution amounts (“***Tax***”), which under U.S. federal, state, local or non-U.S. law, the Employer is required to withhold upon vesting or other tax event related to the Bonus Award Payment. In a case where the Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) or any social security contributions recoverable from and legally applicable to you for which you are liable by virtue of your acceptance of the Bonus Award or receipt of the Bonus Award Payment (the “***Tax-Related Items***”), you will make full payment to the Employer of an amount equal to the Tax-Related Items, or otherwise enter into arrangements acceptable to the Employer or another Affiliate to secure that such a payment is made (whether by withholding from the payment of the Bonus Award Payment, your wages or other cash compensation paid to you). Further, if you become subject to Tax- Related Items in more than one jurisdiction, you acknowledges that the Company and/or the Employer (or former Employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Nontransferability of Bonus Award - The Bonus Award or the interests or rights therein may not be transferred in any manner other than by will or by the laws of descent and distribution, and may not be assigned, hypothecated or otherwise pledged or made subject to execution, attachment or similar process. Upon any attempt to effect any such disposition, or upon the levy of any such process, in violation of the provisions herein, the Bonus Award will immediately become null and void and any rights to receive a payment under the Bonus Award will be forfeited.

Confidentiality - all information disclosed in this Agreement is proprietary to the Company. Communication of the terms in this Agreement or the Bonus Award to anyone other than those currently employed by the Company and who have a need to know its contents will be considered a breach of the employee's obligation of confidentiality and may subject the individual to disciplinary action.

NO GUARANTEE OF CONTINUED EMPLOYMENT - YOU HEREBY ACKNOWLEDGE AND AGREE THAT THE VESTING OF THE BONUS AWARD PURSUANT TO THE PROVISIONS OF THE AIP AND THIS AGREEMENT IS EARNED ONLY IF THE PERFORMANCE GOALS ARE ATTAINED AND THE OTHER TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT AND THE AIP ARE SATISFIED AND BY YOU CONTINUING TO BE EMPLOYED AT THE WILL OF THE EMPLOYER (AND NOT THROUGH THE ACT OF BEING EMPLOYED BY THE EMPLOYER OR BEING ELIGIBLE TO EARN A BONUS AWARD HEREUNDER). YOU FURTHER ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE RIGHT TO EARN A PAYMENT UNDER THE BONUS AWARD SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED EMPLOYMENT DURING THE PERFORMANCE PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE WITH THE YOUR RIGHT OR THE RIGHT OF THE EMPLOYER TO TERMINATE YOUR EMPLOYMENT AT ANY TIME, WITH OR WITHOUT CAUSE AND IN ACCORDANCE WITH APPLICABLE EMPLOYMENT LAWS OF THE COUNTRY WHERE YOUR RESIDES OR BE INTERPRETED AS FORMING AN EMPLOYMENT OR SERVICE CONTRACT WITH THE EMPLOYER.

Entire Agreement; Amendments - The AIP and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof. Nothing in the AIP and this Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

The Committee may amend the terms of this Agreement at any time in its sole discretion, including with retroactive effect.

Headings - The captions used in this Agreement are inserted for convenience and are not to be deemed a part of the Bonus Award for construction or interpretation.

Notices - Any notice required or permitted hereunder is to be (i) given in writing and will be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party or (ii) delivered electronically through the Company's electronic mail system (including any notices delivered by a third-party) and will be deemed effectively given upon such delivery. Any documents required to be given or delivered to you related to current or future participation in the AIP may also be delivered through electronic means as described below under the heading "Electronic Delivery and Acceptance."

Successors and Assigns - The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement will be binding upon you and your heirs, executors, administrators, successors and assigns.

Severability - Whenever feasible, each provision of this Agreement and the AIP will be interpreted in such manner as to be effective and valid under applicable law, but if any provision in the AIP or this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of, the AIP or this Agreement.

No Advice Regarding Bonus Award - The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the AIP. You understand and agree that you should consult with your own personal tax, legal and financial advisors regarding your participation in the AIP before taking any action related to the AIP.

Electronic Delivery and Acceptance - The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the AIP by electronic means. You hereby consents to receive such documents by electronic delivery and agree to participate in the AIP through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Waiver - You hereby acknowledges that a waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach by your or any other participant of the AIP.

Exhibit 21.1

Subsidiaries of Equinix, Inc.

Name	Jurisdiction
Equinix LLC	Delaware, U.S.
Equinix (US) Enterprises, Inc.	Delaware, U.S.
Equinix Professional Services, Inc.	Delaware, U.S.
Equinix (Government) Enterprises LLC	Delaware, U.S.
Equinix South America Holdings, LLC	Delaware, U.S.
Equinix RP II LLC	Delaware, U.S.
CHI 3, LLC	Delaware, U.S.
Equinix (EMEA) Management, Inc.	Delaware, U.S.
SV1, LLC	Delaware, U.S.
LA4, LLC	Delaware, U.S.
NY2 Hartz Way LLC	Delaware, U.S.
Equinix (Velocity) Holding Company	Delaware, U.S.
Equinix Pacific LLC	Delaware, U.S.
CHI 3 Procurement, LLC	Illinois, U.S.
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.
Equinix (Government) 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.
EPS Enterprises, Inc.	Delaware, 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 Asia Pacific Holdings Pte. Ltd.	Singapore
Equinix Japan KK (in Kanji)	Japan
Equinix (Japan) Technology Services K.K.	Japan
Equinix (Japan) Enterprises K.K.	Japan
EJAE2 G.K.	Japan
QAON G.K	Japan
Equinix (Australia) Enterprises Pty Limited	Australia

Equinix Hong Kong Limited	Hong Kong
Equinix Australia Pty Limited	Australia
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 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 (Italy) Enterprises S.R.L.	Italy
Equinix (London) Limited	United Kingdom
Equinix (UK) Enterprises Ltd	United Kingdom
Equinix (LD10) Holdings Limited	United Kingdom
Equinix (LD10) Limited	United Kingdom
Equinix (Real Estate) GmbH	Germany
Equinix (Germany) GmbH	Germany
Upminster GmbH	Germany
Equinix (Germany) Enterprises GmbH	Germany
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
Equinix (EMEA) B.V.	The Netherlands
Equinix (EMEA) Acquisition Enterprises B.V.	The Netherlands
Equinix (UK) Acquisition Enterprises Limited	United Kingdom
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
Telecity Group Limited	United Kingdom
TelecityGroup Investments Ltd.	United Kingdom
TelecityGroup International Ltd.	United Kingdom
Newincco 992 Ltd.	United Kingdom

Internet Facilitators Holdings Ltd.	United Kingdom
TelecityGroup Europe (1) Cooperatief W.A.	The Netherlands
Equinix Turkey Enterprises Internet Hixmetleri Anonim Sirketi	Turkey
Equinix (Poland) Sp. Z.o.o.	Poland
TelecityGroup UK Ltd.	United Kingdom
Equinix (Bulgaria) Data Centers EAD	Bulgaria
TelecityGroup Holdings Ltd.	United Kingdom
Internet Facilitators Ltd.	United Kingdom
TelecityGroup Europe (2) B.V.	The Netherlands
Equinix Turkey Internet Hizmetleri Anonim Sirketi	Turkey
Equinix (Finland) OY	Finland
V-Media Oy	Finland
TelecityGroup Italia SpA.	Italy
Equinix (Sweden) AB	Sweden
TelecityGroup Spain S.A.	Spain
Equinix (Ireland) Holdings Limited	Ireland
Telecity UK Ltd.	United Kingdom
Open Hub Med Societa Consortile a responsabilita limitata	Italy
Equinix (Ireland) Limited	Ireland
TelecityGroup Germany GmbH	Germany
Equinix (Ireland) Enterprises Limited	Ireland
Equinix (Real Estate) Holdings SC	France
Equinix (Real Estate) SCI	France
Equinix Sweden Enterprises AB	Sweden

Exhibit 31.1

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

I, Stephen M. Smith, certify that:

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

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

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

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

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

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

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

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

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: May 5, 2017

/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: May 5, 2017

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Equinix, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2017, 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

May 5, 2017

Exhibit 32.2

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

In connection with the Quarterly Report of Equinix, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2017, 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

May 5, 2017