

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Recurring revenues	\$ 686,072	\$ 646,721	\$ 605,492	\$ 2,569,141	\$ 2,317,790
Non-recurring revenues	44,390	39,928	32,629	156,726	125,986
Revenues	730,462	686,649	638,121	2,725,867	2,443,776
Cost of revenues	351,968	325,468	313,449	1,291,506	1,197,885
Gross profit	378,494	361,181	324,672	1,434,361	1,245,891
Operating expenses:					
Sales and marketing	88,439	83,709	81,236	332,012	296,103
General and administrative	136,829	123,237	113,684	493,284	438,016
Acquisition costs	17,349	13,352	1,926	41,723	2,506
Total operating expenses	242,617	220,298	196,846	867,019	736,625
Income from operations	135,877	140,883	127,826	567,342	509,266
Interest and other income (expense):					
Interest income	1,206	934	357	3,581	2,891
Interest expense	(79,499)	(76,269)	(71,103)	(299,055)	(270,553)
Loss on debt extinguishment	(289)	-	(105,807)	(289)	(156,990)
Other income (expense)	(48,617)	(12,836)	(3,051)	(60,581)	119
Total interest and other, net	(127,199)	(88,171)	(179,604)	(356,344)	(424,533)
Income (loss) before income taxes	8,678	52,712	(51,778)	210,998	84,733
Income tax benefit (expense)	2,053	(11,580)	(303,325)	(23,224)	(345,459)
Net income (loss)	10,731	41,132	(355,103)	187,774	(260,726)
Net loss attributable to redeemable non-controlling interests	-	-	-	-	1,179
Net income (loss) attributable to Equinix	\$ 10,731	\$ 41,132	\$ (355,103)	\$ 187,774	\$ (259,547)
Net income (loss) per share attributable to Equinix:					
Basic net income (loss) per share	\$ 0.18	\$ 0.72	\$ (6.42)	\$ 3.25	\$ (4.96)
Diluted net income (loss) per share	\$ 0.18	\$ 0.71	\$ (6.42)	\$ 3.21	\$ (4.96)
Shares used in computing basic net income (loss) per share	60,393	57,082	55,295	57,790	52,359
Shares used in computing diluted net income (loss) per share	60,943	57,708	55,295	58,483	52,359

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Net income (loss)	\$ 10,731	\$ 41,132	\$ (355,103)	\$ 187,774	\$ (260,726)
Other comprehensive loss, net of tax:					
Foreign currency translation adjustment ("CTA") loss	(37,217)	(72,677)	(97,123)	(186,763)	(204,065)
Unrealized gain (loss) on available-for-sale securities	(139)	(21)	135	(40)	(279)
Unrealized gain on cash flow hedges	4,975	3,309	4,026	4,550	8,790
Net investment hedge CTA gain	10,447	4,426	-	4,484	-
Net actuarial gain (loss) on defined benefit plans	887	124	(2,001)	1,153	(2,001)
Other comprehensive loss, net of tax:	(21,047)	(64,839)	(94,963)	(176,616)	(197,555)
Comprehensive income (loss), net of tax	(10,316)	(23,707)	(450,066)	11,158	(458,281)
Net loss attributable to redeemable non-controlling interests	-	-	-	-	1,179
Other comprehensive income attributable to redeemable non-controlling interests	-	-	-	-	(1,810)
Comprehensive income (loss) attributable to Equinix, net of tax	\$ (10,316)	\$ (23,707)	\$ (450,066)	\$ 11,158	\$ (458,912)

EQUINIX, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

Assets	December 31, 2015	December 31, 2014
Cash and cash equivalents	\$ 2,228,838	\$ 610,917
Short-term investments	12,875	529,395
Accounts receivable, net	291,964	262,570
Current portion of restricted cash	479,417	3,057
Other current assets	212,929	85,004
Assets held for sale	33,257	-
Total current assets	3,259,280	1,490,943
Long-term investments	4,584	439
Property, plant and equipment, net	5,606,436	4,998,270
Goodwill	1,063,200	1,002,129
Intangible assets, net	224,565	147,527
Restricted cash, less current portion	10,172	14,060
Other assets	188,458	128,610
Total assets	\$ 10,356,695	\$ 7,781,978
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	\$ 402,776	\$ 285,796
Accrued property and equipment	103,107	114,469
Current portion of capital lease and other financing obligations	40,121	21,362
Current portion of mortgage and loans payable	768,408	59,466
Current portion of convertible debt	146,121	-
Other current liabilities	192,286	162,664
Liabilities held for sale	3,535	-
Total current liabilities	1,656,354	643,757
Capital lease and other financing obligations, less current portion	1,287,139	1,168,042
Mortgage and loans payable, less current portion	457,276	532,809
Senior notes	3,804,634	2,717,046
Convertible debt, less current portion	-	145,229
Other liabilities	405,906	304,964
Total liabilities	7,611,309	5,511,847
Common stock	62	57
Additional paid-in capital	4,838,444	3,334,305
Treasury stock	(7,373)	(11,411)
Accumulated dividends	(1,468,472)	(424,387)
Accumulated other comprehensive loss	(509,059)	(332,443)
Accumulated deficit	(108,216)	(295,990)
Total stockholders' equity	2,745,386	2,270,131
Total liabilities and stockholders' equity	\$ 10,356,695	\$ 7,781,978

Ending headcount by geographic region is as follows:

Americas headcount	2,329	2,122
EMEA headcount	1,188	1,023
Asia-Pacific headcount	1,525	721
Total headcount	5,042	3,866

EQUINIX, INC.
SUMMARY OF DEBT PRINCIPAL OUTSTANDING
(in thousands)
(unaudited)

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Capital lease and other financing obligations	\$ 1,327,260	\$ 1,189,404
Term loan, net of debt discount and debt issuance costs	454,503	497,044
Brazil financings, net of debt issuance costs	26,668	56,342
Mortgage payable and other loans payable, net of premium	418,891	38,889
Revolving credit facility borrowings	325,622	-
Plus: debt discount, debt issuance costs and premium, net	694	1,196
Total mortgage and loans payable principal	<u>1,226,378</u>	<u>593,471</u>
Senior notes, net of debt issuance costs	3,804,634	2,717,046
Plus: debt issuance costs	45,366	32,954
Total senior notes principal	<u>3,850,000</u>	<u>2,750,000</u>
Convertible debt, net of debt discount and debt issuance costs	146,121	145,229
Plus: debt discount and debt issuance costs	3,961	12,656
Total convertible debt principal	<u>150,082</u>	<u>157,885</u>
Total debt principal outstanding	<u>\$ 6,553,720</u>	<u>\$ 4,690,760</u>

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Cash flows from operating activities:					
Net income (loss)	\$ 10,731	\$ 41,132	\$ (355,103)	\$ 187,774	\$ (260,726)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation, amortization and accretion	144,861	133,268	133,096	528,929	484,129
Stock-based compensation	33,868	33,969	31,517	132,443	117,990
Amortization of debt issuance costs and debt discounts	4,493	3,972	3,827	16,050	18,667
Loss on debt extinguishment	289	-	105,807	289	156,990
Excess tax benefits from employee equity awards	1,633	(732)	(2,125)	(30)	(19,582)
Other items	3,819	4,321	5,863	18,178	24,567
Changes in operating assets and liabilities:					
Accounts receivable	(2,581)	(220)	2,428	(44,583)	(101,966)
Income taxes, net	(25,056)	(18,376)	295,947	(109,579)	226,774
Accounts payable and accrued expenses	33,906	25,926	(16,429)	109,125	4,177
Other assets and liabilities	29,155	(8,858)	(2,531)	56,197	38,400
Net cash provided by operating activities	235,118	214,402	202,297	894,793	689,420
Cash flows from investing activities:					
Purchases, sales and maturities of investments, net	(9,369)	94,217	(381,629)	514,108	239,551
Business acquisitions, net of cash acquired	(235,306)	-	-	(245,553)	-
Purchases of real estate	-	-	-	(38,282)	(16,791)
Purchases of other property, plant and equipment	(280,612)	(216,046)	(238,477)	(868,120)	(660,203)
Other investing activities	(3,709)	14,274	195	(497,080)	1,604
Net cash used in investing activities	(528,996)	(107,555)	(619,911)	(1,134,927)	(435,839)
Cash flows from financing activities:					
Purchases of treasury stock	-	-	-	-	(297,958)
Proceeds from employee equity awards	185	13,290	1,137	30,040	29,320
Purchase of redeemable non-controlling interests	-	-	-	-	(226,276)
Payment of dividend distributions	(230,452)	(98,041)	(83,266)	(521,461)	(83,266)
Proceeds from public offering of common stock, net of issuance costs	829,496	-	-	829,496	-
Proceeds from loans payable	707,108	-	500,000	1,197,108	508,826
Proceeds from senior notes	1,100,000	-	1,250,000	1,100,000	1,250,000
Repayment of capital lease and other financing obligations	(8,450)	(6,576)	(4,890)	(28,663)	(18,030)
Repayment of mortgage and loans payable	(185,823)	(10,818)	(5,963)	(715,270)	(43,473)
Repayment of senior notes	-	-	(750,000)	-	(750,000)
Repayment of term loan	-	-	(110,000)	-	(110,000)
Repayment of convertible debt	-	-	(34)	-	(29,513)
Debt extinguishment costs	-	-	(93,965)	-	(116,517)
Excess tax benefits from employee equity awards	(1,633)	732	2,125	30	19,582
Debt issuance costs	(17,481)	-	(25,294)	(18,098)	(25,294)
Net cash provided by (used in) financing activities	2,192,950	(101,413)	679,850	1,873,182	107,401
Effect of foreign currency exchange rates on cash and cash equivalents	(5,703)	(6,098)	(5,500)	(15,127)	(11,959)
Net increase (decrease) in cash and cash equivalents	1,893,369	(664)	256,736	1,617,921	349,023
Cash and cash equivalents at beginning of period	335,469	336,133	354,181	610,917	261,894
Cash and cash equivalents at end of period	\$ 2,228,838	\$ 335,469	\$ 610,917	\$ 2,228,838	\$ 610,917
Supplemental cash flow information:					
Cash paid for taxes	\$ 29,165	\$ 28,333	\$ 6,407	\$ 132,302	\$ 117,197
Cash paid for interest	\$ 73,044	\$ 68,568	\$ 94,283	\$ 237,410	\$ 262,018
Free cash flow (1)	\$ (284,509)	\$ 12,630	\$ (35,985)	\$ (754,242)	\$ 14,030
Adjusted free cash flow (2)	\$ (33,081)	\$ 34,035	\$ (29,881)	\$ (385,543)	\$ 160,425
(1) We define free cash flow as net cash provided by operating activities plus net cash provided by (used in) investing activities (excluding the net purchases, sales and maturities of investments) as presented below:					
Net cash provided by operating activities as presented above	\$ 235,118	\$ 214,402	\$ 202,297	\$ 894,793	\$ 689,420
Net cash used in investing activities as presented above	(528,996)	(107,555)	(619,911)	(1,134,927)	(435,839)
Purchases, sales and maturities of investments, net	9,369	(94,217)	381,629	(514,108)	(239,551)
Free cash flow (negative free cash flow)	\$ (284,509)	\$ 12,630	\$ (35,985)	\$ (754,242)	\$ 14,030
(2) We define adjusted free cash flow as free cash flow (as defined above) excluding any purchases of real estate, acquisitions, any excess tax benefits from employee equity awards, cash paid for taxes associated with reclassifying our assets for tax purposes triggered by our conversion into a real estate investment trust ("REIT") and costs related to the REIT conversion, as presented below:					
Free cash flow (as defined above)	\$ (284,509)	\$ 12,630	\$ (35,985)	\$ (754,242)	\$ 14,030
Less business acquisitions, net of cash	235,306	-	-	245,553	-
Less purchases of real estate	-	-	-	38,282	16,791
Less excess tax benefits from employee equity awards	(1,633)	732	2,125	30	19,582
Less cash paid for taxes resulting from the REIT conversion	17,306	20,033	189	82,452	80,867
Less costs related to the REIT conversion	449	640	3,790	2,382	29,155
Adjusted free cash flow	\$ (33,081)	\$ 34,035	\$ (29,881)	\$ (385,543)	\$ 160,425
We categorize our cash paid for taxes into cash paid for taxes resulting from the REIT conversion (as defined above) and other cash taxes paid.					
Cash paid for taxes resulting from the REIT conversion	\$ 17,306	\$ 20,033	\$ 189	\$ 82,452	\$ 80,867
Other cash taxes paid	11,859	8,300	6,218	49,850	36,330
Total cash paid for taxes	\$ 29,165	\$ 28,333	\$ 6,407	\$ 132,302	\$ 117,197

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - NON-GAAP PRESENTATION
(in thousands)
(unaudited)

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Recurring revenues	\$ 686,072	\$ 646,721	\$ 605,492	\$ 2,569,141	\$ 2,317,790
Non-recurring revenues	44,390	39,928	32,629	156,726	125,986
Revenues (1)	730,462	686,649	638,121	2,725,867	2,443,776
Cash cost of revenues (2)	227,956	211,617	195,945	836,439	767,552
Cash gross profit (3)	502,506	475,032	442,176	1,889,428	1,676,224
Cash operating expenses (4):					
Cash sales and marketing expenses (5)	72,069	68,323	67,036	269,270	240,054
Cash general and administrative expenses (6)	97,292	85,237	80,775	348,531	322,279
Total cash operating expenses (7)	169,361	153,560	147,811	617,801	562,333
Adjusted EBITDA (8)	\$ 333,145	\$ 321,472	\$ 294,365	\$ 1,271,627	\$ 1,113,891
Cash gross margins (9)	69%	69%	69%	69%	69%
Adjusted EBITDA margins (10)	46%	47%	46%	47%	46%
Adjusted EBITDA flow-through rate (11)	27%	48%	59%	56%	39%
FFO (12)	\$ 131,483	\$ 151,197	\$ (241,338)	\$ 629,238	\$ 153,266
AFFO (13)	\$ 178,293	\$ 210,361	\$ 194,506	\$ 831,798	\$ 761,679
Basic FFO per share (14)	\$ 2.18	\$ 2.65	\$ (4.36)	\$ 10.89	\$ 2.93
Diluted FFO per share (14)	\$ 2.14	\$ 2.59	\$ (4.36)	\$ 10.63	\$ 2.89
Basic AFFO per share (15)	\$ 2.95	\$ 3.69	\$ 3.52	\$ 14.39	\$ 14.55
Diluted AFFO per share (15)	\$ 2.85	\$ 3.55	\$ 3.39	\$ 13.86	\$ 13.81

(1) The geographic split of our revenues on a services basis is presented below:

Americas Revenues:

Colocation	\$ 275,779	\$ 268,156	\$ 254,037	\$ 1,064,801	\$ 978,503
Interconnection	83,168	79,902	71,992	315,258	272,257
Managed infrastructure	10,974	11,788	13,860	48,894	57,071
Other	817	841	814	3,131	3,687
Recurring revenues	370,738	360,687	340,703	1,432,084	1,311,518
Non-recurring revenues	23,751	21,943	15,699	80,451	64,585
Revenues	394,489	382,630	356,402	1,512,535	1,376,103

EMEA Revenues:

Colocation	146,879	143,721	134,816	562,817	514,997
Interconnection	16,775	15,227	13,484	58,490	50,342
Managed infrastructure	7,619	5,875	5,487	25,196	26,965
Other	862	1,333	1,613	5,275	6,649
Recurring revenues	172,135	166,156	155,400	651,778	598,953
Non-recurring revenues	10,519	11,407	11,693	47,029	38,312
Revenues	182,654	177,563	167,093	698,807	637,265

Asia-Pacific Revenues:

Colocation	112,498	99,775	91,211	397,345	336,312
Interconnection	18,979	15,439	13,231	62,061	49,751
Managed infrastructure	9,447	4,664	4,947	23,598	21,256
Other	2,275	-	-	2,275	-
Recurring revenues	143,199	119,878	109,389	485,279	407,319
Non-recurring revenues	10,120	6,578	5,237	29,246	23,089
Revenues	153,319	126,456	114,626	514,525	430,408

Worldwide Revenues:

Colocation	535,156	511,652	480,064	2,024,963	1,829,812
Interconnection	118,922	110,568	98,707	435,809	372,350
Managed infrastructure	28,040	22,327	24,294	97,688	105,292
Other	3,954	2,174	2,427	10,681	10,336
Recurring revenues	686,072	646,721	605,492	2,569,141	2,317,790
Non-recurring revenues	44,390	39,928	32,629	156,726	125,986
Revenues	\$ 730,462	\$ 686,649	\$ 638,121	\$ 2,725,867	\$ 2,443,776

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
(2) We define cash cost of revenues as cost of revenues less depreciation, amortization, accretion and stock-based compensation as presented below:					
Cost of revenues	\$ 351,968	\$ 325,468	\$ 313,449	\$ 1,291,506	\$ 1,197,885
Depreciation, amortization and accretion expense	(121,505)	(111,337)	(115,236)	(445,189)	(421,822)
Stock-based compensation expense	(2,507)	(2,514)	(2,268)	(9,878)	(8,511)
Cash cost of revenues	<u>\$ 227,956</u>	<u>\$ 211,617</u>	<u>\$ 195,945</u>	<u>\$ 836,439</u>	<u>\$ 767,552</u>
The geographic split of our cash cost of revenues is presented below:					
Americas cash cost of revenues	\$ 107,640	\$ 105,864	\$ 97,396	\$ 410,915	\$ 380,892
EMEA cash cost of revenues	64,089	64,443	59,987	249,457	236,423
Asia-Pacific cash cost of revenues	56,227	41,310	38,562	176,067	150,237
Cash cost of revenues	<u>\$ 227,956</u>	<u>\$ 211,617</u>	<u>\$ 195,945</u>	<u>\$ 836,439</u>	<u>\$ 767,552</u>
(3) We define cash gross profit as revenues less cash cost of revenues (as defined above).					
(4) We define cash operating expenses as operating expenses less depreciation, amortization, stock-based compensation and acquisition costs. We also refer to cash operating expenses as cash selling, general and administrative expenses or "cash SG&A".					
(5) We define cash sales and marketing expenses as sales and marketing expenses less depreciation, amortization and stock-based compensation as presented below:					
Sales and marketing expenses	\$ 88,439	\$ 83,709	\$ 81,236	\$ 332,012	\$ 296,103
Depreciation and amortization expense	(7,329)	(6,213)	(6,315)	(25,895)	(25,965)
Stock-based compensation expense	(9,041)	(9,173)	(7,885)	(36,847)	(30,084)
Cash sales and marketing expenses	<u>\$ 72,069</u>	<u>\$ 68,323</u>	<u>\$ 67,036</u>	<u>\$ 269,270</u>	<u>\$ 240,054</u>
(6) We define cash general and administrative expenses as general and administrative expenses less depreciation, amortization and stock-based compensation as presented below:					
General and administrative expenses	\$ 136,829	\$ 123,237	\$ 113,684	\$ 493,284	\$ 438,016
Depreciation and amortization expense	(16,027)	(15,718)	(11,545)	(57,845)	(36,342)
Stock-based compensation expense	(23,510)	(22,282)	(21,364)	(86,908)	(79,395)
Cash general and administrative expenses	<u>\$ 97,292</u>	<u>\$ 85,237</u>	<u>\$ 80,775</u>	<u>\$ 348,531</u>	<u>\$ 322,279</u>
(7) Our cash operating expenses, or cash SG&A, as defined above, is presented below:					
Cash sales and marketing expenses	\$ 72,069	\$ 68,323	\$ 67,036	\$ 269,270	\$ 240,054
Cash general and administrative expenses	97,292	85,237	80,775	348,531	322,279
Cash SG&A	<u>\$ 169,361</u>	<u>\$ 153,560</u>	<u>\$ 147,811</u>	<u>\$ 617,801</u>	<u>\$ 562,333</u>
The geographic split of our cash operating expenses, or cash SG&A, is presented below:					
Americas cash SG&A	\$ 106,035	\$ 102,596	\$ 91,762	\$ 403,016	\$ 360,204
EMEA cash SG&A	36,971	31,717	36,226	130,789	131,620
Asia-Pacific cash SG&A	26,355	19,247	19,823	83,996	70,509
Cash SG&A	<u>\$ 169,361</u>	<u>\$ 153,560</u>	<u>\$ 147,811</u>	<u>\$ 617,801</u>	<u>\$ 562,333</u>
(8) We define adjusted EBITDA as income from operations plus depreciation, amortization, accretion, stock-based compensation expense and acquisition costs as presented below:					
Income from operations	\$ 135,877	\$ 140,883	\$ 127,826	\$ 567,342	\$ 509,266
Depreciation, amortization and accretion expense	144,861	133,268	133,096	528,929	484,129
Stock-based compensation expense	35,058	33,969	31,517	133,633	117,990
Acquisition costs	17,349	13,352	1,926	41,723	2,506
Adjusted EBITDA	<u>\$ 333,145</u>	<u>\$ 321,472</u>	<u>\$ 294,365</u>	<u>\$ 1,271,627</u>	<u>\$ 1,113,891</u>
The geographic split of our adjusted EBITDA is presented below:					
Americas income from operations	\$ 83,425	\$ 81,914	\$ 70,131	\$ 324,458	\$ 282,219
Americas depreciation, amortization and accretion expense	73,023	70,118	72,408	278,644	260,416
Americas stock-based compensation expense	25,576	25,810	24,351	100,760	91,469
Americas acquisition costs	(1,210)	(3,672)	354	(5,258)	903
Americas adjusted EBITDA	<u>180,814</u>	<u>174,170</u>	<u>167,244</u>	<u>698,604</u>	<u>635,007</u>
EMEA income from operations	34,011	29,865	35,867	145,527	138,685
EMEA depreciation, amortization and accretion expense	30,434	33,055	29,770	118,008	115,223
EMEA stock-based compensation expense	4,348	4,338	3,671	16,690	13,661
EMEA acquisition costs	12,801	14,145	1,572	38,336	1,653
EMEA adjusted EBITDA	<u>81,594</u>	<u>81,403</u>	<u>70,880</u>	<u>318,561</u>	<u>269,222</u>
Asia-Pacific income from operations	18,441	29,104	21,828	97,357	88,362
Asia-Pacific depreciation, amortization and accretion expense	41,404	30,095	30,918	132,277	108,490
Asia-Pacific stock-based compensation expense	5,134	3,821	3,495	16,183	12,860
Asia-Pacific acquisition costs	5,758	2,879	-	8,645	(50)
Asia-Pacific adjusted EBITDA	<u>70,737</u>	<u>65,899</u>	<u>56,241</u>	<u>254,462</u>	<u>209,662</u>
Adjusted EBITDA	<u>\$ 333,145</u>	<u>\$ 321,472</u>	<u>\$ 294,365</u>	<u>\$ 1,271,627</u>	<u>\$ 1,113,891</u>

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
(9) We define cash gross margins as cash gross profit divided by revenues.					
Our cash gross margins by geographic region is presented below:					
Americas cash gross margins	73%	72%	73%	73%	72%
EMEA cash gross margins	65%	64%	64%	64%	63%
Asia-Pacific cash gross margins	63%	67%	66%	66%	65%
(10) We define adjusted EBITDA margins as adjusted EBITDA divided by revenues.					
Americas adjusted EBITDA margins	46%	46%	47%	46%	46%
EMEA adjusted EBITDA margins	45%	46%	42%	46%	42%
Asia-Pacific adjusted EBITDA margins	46%	52%	49%	49%	49%
(11) We define adjusted EBITDA flow-through rate as incremental adjusted EBITDA growth divided by incremental revenue growth as follows:					
Adjusted EBITDA - current period	\$ 333,145	\$ 321,472	\$ 294,365	\$ 1,271,627	\$ 1,113,891
Less adjusted EBITDA - prior period	(321,472)	(311,262)	(283,861)	(1,113,891)	(1,000,898)
Adjusted EBITDA growth	\$ 11,673	\$ 10,210	\$ 10,504	\$ 157,736	\$ 112,993
Revenues - current period	\$ 730,462	\$ 686,649	\$ 638,121	\$ 2,725,867	\$ 2,443,776
Less revenues - prior period	(686,649)	(665,582)	(620,441)	(2,443,776)	(2,152,766)
Revenue growth	\$ 43,813	\$ 21,067	\$ 17,680	\$ 282,091	\$ 291,010
Adjusted EBITDA flow-through rate	27%	48%	59%	56%	39%
(12) FFO is defined as net income (loss), excluding gains (losses) from the disposition of real estate assets, depreciation and amortization on real estate assets and adjustments for unconsolidated joint ventures' and non-controlling interests' share of these items.					
Net income	\$ 10,731	\$ 41,132	\$ (355,103)	\$ 187,774	\$ (260,726)
Net loss attributable to redeemable non-controlling interests	-	-	-	-	1,179
Net income (loss) attributable to Equinix	10,731	41,132	(355,103)	187,774	(259,547)
Adjustments:					
Real estate depreciation and amortization	120,144	109,856	113,683	439,969	417,703
Gain/loss on disposition of real estate property	579	182	54	1,382	301
Adjustments for FFO from unconsolidated joint ventures	29	27	28	113	112
Non-controlling interests' share of above adjustments	-	-	-	-	(5,303)
FFO	\$ 131,483	\$ 151,197	\$ (241,338)	\$ 629,238	\$ 153,266
(13) AFFO is defined as FFO, excluding depreciation and amortization expense on non-real estate assets, accretion, stock-based compensation, restructuring charges, impairment charges, acquisition costs, an installation revenue adjustment, a straight-line rent expense adjustment, amortization of deferred financing costs, gains (losses) on debt extinguishment, an income tax expense adjustment, recurring capital expenditures and adjustments from FFO to AFFO for unconsolidated joint ventures' and non-controlling interests' share of these items.					
FFO	\$ 131,483	\$ 151,197	\$ (241,338)	\$ 629,238	\$ 153,266
Adjustments:					
Installation revenue adjustment	5,843	8,527	7,224	35,498	25,720
Straight-line rent expense adjustment	1,462	1,251	3,335	7,931	13,048
Amortization of deferred financing costs	4,495	3,934	3,944	16,135	19,020
Stock-based compensation expense	35,058	33,969	31,517	133,633	117,990
Non-real estate depreciation expense	15,921	15,946	11,478	58,165	36,232
Amortization expense	8,100	6,601	6,803	27,446	27,756
Accretion expense	696	865	1,132	3,349	2,438
Recurring capital expenditures	(44,668)	(25,910)	(33,124)	(120,281)	(105,366)
Loss on debt extinguishment	289	-	105,807	289	156,990
Acquisition costs	17,349	13,352	1,926	41,723	2,506
Income tax expense adjustment	2,279	643	295,820	(1,270)	315,289
Adjustments for AFFO from unconsolidated joint ventures	(14)	(14)	(18)	(58)	(76)
Non-controlling interests share of above adjustments	-	-	-	-	(3,134)
AFFO	\$ 178,293	\$ 210,361	\$ 194,506	\$ 831,798	\$ 761,679

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
(14) The FFO used in the computation of basic and diluted FFO per share attributable to Equinix is presented below:					
FFO, basic	\$ 131,483	\$ 151,197	\$ (241,338)	\$ 629,238	\$ 153,266
Interest on convertible debt	3,442	3,279	-	13,357	-
FFO, diluted	<u>\$ 134,925</u>	<u>\$ 154,476</u>	<u>\$ (241,338)</u>	<u>\$ 642,595</u>	<u>\$ 153,266</u>

The shares used in the computation of basic and diluted FFO per share attributable to Equinix is presented below:

Shares used in computing basic net income per share and FFO per share	60,393	57,082	55,295	57,790	52,359
Effect of dilutive securities:					
Convertible debt	2,041	1,970	-	1,977	-
Employee equity awards	612	626	-	693	626
Shares used in computing diluted FFO per share	<u>63,046</u>	<u>59,678</u>	<u>55,295</u>	<u>60,460</u>	<u>52,985</u>

(15) The AFFO used in the computation of basic and diluted AFFO per share attributable to Equinix is presented below:

AFFO, basic	\$ 178,293	\$ 210,361	\$ 194,506	\$ 831,798	\$ 761,679
Interest on convertible debt	1,557	1,390	2,372	6,279	20,861
AFFO, diluted	<u>\$ 179,850</u>	<u>\$ 211,751</u>	<u>\$ 196,878</u>	<u>\$ 838,077</u>	<u>\$ 782,540</u>

The shares used in the computation of basic and diluted AFFO per share attributable to Equinix is presented below:

Shares used in computing basic net income per share and AFFO per share	60,393	57,082	55,295	57,790	52,359
Effect of dilutive securities:					
Convertible debt	2,041	1,970	2,199	1,977	3,685
Employee equity awards	612	626	557	693	626
Shares used in computing diluted AFFO per share	<u>63,046</u>	<u>59,678</u>	<u>58,051</u>	<u>60,460</u>	<u>56,670</u>