

**EQUINIX, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - GAAP PRESENTATION**  
(in thousands, except per share detail)  
(unaudited)

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
Recurring revenues	\$ 150,359	\$ 131,578	\$ 80,886
Non-recurring revenues	7,859	7,136	4,223
<b>Revenues</b>	<b>158,218</b>	<b>138,714</b>	<b>85,109</b>
Cost of revenues	94,486	92,480	52,765
<b>Gross profit</b>	<b>63,732</b>	<b>46,234</b>	<b>32,344</b>
Operating expenses:			
Sales and marketing	15,351	13,117	9,076
General and administrative	34,376	33,672	22,462
Gains on asset sales	-	(1,338)	-
<b>Total operating expenses</b>	<b>49,727</b>	<b>45,451</b>	<b>31,538</b>
<b>Income from operations</b>	<b>14,005</b>	<b>783</b>	<b>806</b>
Interest and other income (expense):			
Interest income	3,441	5,066	1,949
Interest expense	(13,594)	(12,094)	(3,592)
Other income (expense)	2,040	(121)	130
Loss on conversion and extinguishment of debt	-	-	(3,395)
<b>Total interest and other, net</b>	<b>(8,113)</b>	<b>(7,149)</b>	<b>(4,908)</b>
<b>Net income (loss) before income taxes</b>	<b>5,892</b>	<b>(6,366)</b>	<b>(4,102)</b>
Income taxes	(471)	293	(354)
<b>Net income (loss)</b>	<b>\$ 5,421</b>	<b>\$ (6,073)</b>	<b>\$ (4,456)</b>
<b>Net income (loss) per share:</b>			
Basic net income (loss) per share	\$ 0.15	\$ (0.17)	\$ (0.15)
Diluted net income (loss) per share	\$ 0.15	\$ (0.17)	\$ (0.15)
Shares used in computing basic net income (loss) per share	36,277	36,003	29,702
Shares used in computing diluted net income (loss) per share	37,259	36,003	29,702

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

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
Recurring revenues	\$ 150,359	\$ 131,578	\$ 80,886
Non-recurring revenues	7,859	7,136	4,223
<b>Revenues (1)</b>	<b>158,218</b>	<b>138,714</b>	<b>85,109</b>
Cash cost of revenues (2)	61,761	59,501	31,931
<b>Cash gross profit (3)</b>	<b>96,457</b>	<b>79,213</b>	<b>53,178</b>
Cash operating expenses (4):			
Cash sales and marketing expenses(5)	11,477	9,079	6,435
Cash general and administrative expenses (6)	22,711	23,072	14,365
<b>Total cash operating expenses (7)</b>	<b>34,188</b>	<b>32,151</b>	<b>20,800</b>
<b>EBITDA (8)</b>	<b>\$ 62,269</b>	<b>\$ 47,062</b>	<b>\$ 32,378</b>
<b>Cash gross margins (9)</b>	<b>61%</b>	<b>57%</b>	<b>62%</b>
<b>EBITDA flow-through rate (10)</b>	<b>78%</b>	<b>18%</b>	<b>39%</b>

(1) The geographic split of our revenues is presented below:

U.S. revenues	\$ 99,196	\$ 90,417	\$ 72,526
Asia-Pacific revenues	18,173	16,261	12,583
Europe revenues	40,849	32,036	-
<b>Revenues</b>	<b>\$ 158,218</b>	<b>\$ 138,714</b>	<b>\$ 85,109</b>

Revenues on a services basis is presented below:

Colocation	\$ 121,349	\$ 104,533	\$ 59,759
Interconnection	22,148	20,514	16,720
Managed infrastructure	6,500	6,305	4,099
Rental	362	226	308
Recurring revenues	150,359	131,578	80,886
Non-recurring revenues	7,859	7,136	4,223
<b>Revenues</b>	<b>\$ 158,218</b>	<b>\$ 138,714</b>	<b>\$ 85,109</b>

(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	\$ 94,486	\$ 92,480	\$ 52,765
Depreciation, amortization and accretion expense	(31,755)	(31,870)	(19,697)
Stock-based compensation expense	(970)	(1,109)	(1,137)
<b>Cash cost of revenues</b>	<b>\$ 61,761</b>	<b>\$ 59,501</b>	<b>\$ 31,931</b>

The geographic split of our cash cost of revenues is presented below:

U.S. cash cost of revenues	\$ 33,006	\$ 32,970	\$ 26,498
Asia-Pacific cash cost of revenues	7,769	7,105	5,433
Europe cash cost of revenues	20,986	19,426	-
<b>Cash cost of revenues</b>	<b>\$ 61,761</b>	<b>\$ 59,501</b>	<b>\$ 31,931</b>

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
(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, restructuring charges and gains on asset sales. 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	\$ 15,351	\$ 13,117	\$ 9,076
Depreciation and amortization expense	(1,573)	(1,553)	(15)
Stock-based compensation expense	(2,301)	(2,485)	(2,626)
Cash sales and marketing expenses	<u>\$ 11,477</u>	<u>\$ 9,079</u>	<u>\$ 6,435</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	\$ 34,376	\$ 33,672	\$ 22,462
Depreciation and amortization expense	(2,595)	(2,495)	(1,362)
Stock-based compensation expense	(9,070)	(8,105)	(6,735)
Cash general and administrative expenses	<u>\$ 22,711</u>	<u>\$ 23,072</u>	<u>\$ 14,365</u>
(7) Our cash operating expenses, or cash SG&A, as defined above, is presented below:			
Cash sales and marketing expenses	\$ 11,477	\$ 9,079	\$ 6,435
Cash general and administrative expenses	22,711	23,072	14,365
Cash SG&A	<u>\$ 34,188</u>	<u>\$ 32,151</u>	<u>\$ 20,800</u>
The geographic split of our cash operating expenses, or cash SG&A, is presented below:			
U.S. cash SG&A	\$ 20,054	\$ 20,508	\$ 17,071
Asia-Pacific cash SG&A	5,034	4,693	3,729
Europe cash SG&A	9,100	6,950	-
Cash SG&A	<u>\$ 34,188</u>	<u>\$ 32,151</u>	<u>\$ 20,800</u>
(8) We define EBITDA as income (loss) from operations less depreciation, amortization, accretion, stock-based compensation expense, restructuring charges and gains on asset sales as presented below:			
Income (loss) from operations	\$ 14,005	\$ 783	\$ 806
Depreciation, amortization and accretion expense	35,923	35,918	21,074
Stock-based compensation expense	12,341	11,699	10,498
Restructuring charges	-	-	-
Gains on asset sales	-	(1,338)	-
EBITDA	<u>\$ 62,269</u>	<u>\$ 47,062</u>	<u>\$ 32,378</u>

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
The geographic split of our EBITDA is presented below:			
U.S. income (loss) from operations	\$ 13,278	\$ 3,533	\$ 368
U.S. depreciation, amortization and accretion expense	23,220	23,630	19,439
U.S. stock-based compensation expense	9,638	9,776	9,150
U.S. restructuring charges	-	-	-
U.S. gain on asset sale	-	-	-
U.S. EBITDA	<u>46,136</u>	<u>36,939</u>	<u>28,957</u>
Asia-Pacific income (loss) from operations	675	665	438
Asia-Pacific depreciation, amortization and accretion expense	3,624	3,763	1,635
Asia-Pacific stock-based compensation expense	1,071	1,373	1,348
Asia-Pacific restructuring charges	-	-	-
Asia-Pacific gain on asset sale	-	(1,338)	-
Asia-Pacific EBITDA	<u>5,370</u>	<u>4,463</u>	<u>3,421</u>
Europe income (loss) from operations	52	(3,415)	-
Europe depreciation, amortization and accretion expense	9,079	8,525	-
Europe stock-based compensation expense	1,632	550	-
Europe restructuring charges	-	-	-
Europe gain on asset sale	-	-	-
Europe EBITDA	<u>10,763</u>	<u>5,660</u>	<u>-</u>
EBITDA	<u>\$ 62,269</u>	<u>\$ 47,062</u>	<u>\$ 32,378</u>

(9) We define cash gross margins as cash gross profit divided by revenues.

Our cash gross margins by geographic region is presented below:

U.S. cash gross margins	<u>67%</u>	<u>64%</u>	<u>63%</u>
Asia-Pacific cash gross margins	<u>57%</u>	<u>56%</u>	<u>57%</u>
Europe cash gross margins	<u>49%</u>	<u>39%</u>	<u>n/a</u>

(10) We define EBITDA flow-through rate as incremental EBITDA growth divided by incremental revenue growth as follows:

EBITDA - current period	\$ 62,269	\$ 47,062	\$ 32,378
Less EBITDA - prior period	(47,062)	(40,639)	(30,272)
EBITDA growth	<u>\$ 15,207</u>	<u>\$ 6,423</u>	<u>\$ 2,106</u>
Revenues - current period	\$ 158,218	\$ 138,714	\$ 85,109
Less revenues - prior period	(138,714)	(103,782)	(79,772)
Revenue growth	<u>\$ 19,504</u>	<u>\$ 34,932</u>	<u>\$ 5,337</u>
EBITDA flow-through rate	<u>78%</u>	<u>18%</u>	<u>39%</u>

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

<b>Assets</b>	<b>March 31, 2008</b>	<b>December 31, 2007</b>
Cash, cash equivalents and investments	\$ 325,526	\$ 383,900
Accounts receivable, net	59,156	60,089
Property and equipment, net	1,284,395	1,162,720
Goodwill and other intangible assets, net	534,399	510,133
Debt issuance costs, net	20,462	21,333
Deposits	19,078	16,731
Restricted cash	15,329	1,982
Prepaid expenses	13,215	11,070
Deferred tax assets	6,747	6,404
Taxes receivable	5,477	3,437
Other assets	3,003	4,069
<b>Total assets</b>	<b>\$ 2,286,787</b>	<b>\$ 2,181,868</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 17,357	\$ 14,816
Accrued expenses	52,873	50,280
Accrued property and equipment	77,852	76,504
Accrued restructuring charges	11,581	12,140
Capital lease and other financing obligations	102,034	97,412
Mortgage and loans payable	381,904	330,496
Convertible debt	678,236	678,236
Deferred rent	29,767	26,912
Deferred installation revenue	29,887	26,537
Deferred tax liabilities	29,442	25,955
Deferred recurring revenue	11,135	9,556
Asset retirement obligations	10,450	8,759
Customer deposits	10,129	8,844
Other liabilities	1,010	989
<b>Total liabilities</b>	<b>1,443,657</b>	<b>1,367,436</b>
Common stock	37	37
Additional paid-in capital	1,396,525	1,376,915
Accumulated other comprehensive income	(221)	(3,888)
Accumulated deficit	(553,211)	(558,632)
<b>Total stockholders' equity</b>	<b>843,130</b>	<b>814,432</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,286,787</b>	<b>\$ 2,181,868</b>

Ending headcount by geographic region is as follows:

U.S. headcount	561	546
Asia-pacific headcount	176	187
Europe headcount	210	178
<b>Total headcount</b>	<b>947</b>	<b>911</b>

**EQUINIX, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - GAAP PRESENTATION**  
(in thousands)  
(unaudited)

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
Net cash provided by operating activities	\$ 62,984	\$ 13,881	\$ 19,850
Net cash used in investing activities	(136,200)	(103,519)	(48,057)
Net cash provided by financing activities	44,598	38,001	273,253
Effect of foreign currency exchange rates on cash and cash equivalents	(1,181)	(1,182)	51
Net increase (decrease) in cash and cash equivalents	(29,799)	(52,819)	245,097
Cash and cash equivalents at beginning of period	290,633	343,452	82,563
Cash and cash equivalents at end of period	<u>\$ 260,834</u>	<u>\$ 290,633</u>	<u>\$ 327,660</u>

In addition to the above condensed consolidated statements of cash flows presented on a GAAP basis, the Company presents non-GAAP condensed consolidated statements of cash flows which combine the Company's short-term and long-term investments with our cash and cash equivalents in an effort to present our total unrestricted cash and equivalent balances as presented herein in our condensed consolidated balance sheets.

Following is a reconciliation of our cash and cash equivalents to our cash, cash equivalents and investments, which is the basis of how our non-GAAP condensed consolidated statements of cash flows are presented on the following page:

Cash and cash equivalents	\$ 260,834	\$ 290,633	\$ 327,660
Short-term investments	37,694	63,301	53,758
Long-term investments	26,998	29,966	10,981
Cash, cash equivalents and investments as presented on condensed balance sheet presented herein	<u>\$ 325,526</u>	<u>\$ 383,900</u>	<u>\$ 392,399</u>

**EQUINIX, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - NON-GAAP PRESENTATION (1)**  
(in thousands)  
(unaudited)

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
Cash flows from operating activities:			
Net income (loss)	\$ 5,421	\$ (6,073)	\$ (4,456)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, amortization and accretion	35,923	35,918	21,074
Stock-based compensation	12,341	11,699	10,498
Debt issuance costs	1,403	1,242	389
Gains on asset sales	-	(1,338)	-
Other reconciling items	533	66	7
Changes in operating assets and liabilities:			
Accounts receivable	2,506	(10,929)	(916)
Accounts payable and accrued expenses	1,107	(29,761)	(2,657)
Accrued restructuring charges	(745)	(3,569)	(3,543)
Other assets and liabilities	4,643	16,792	(302)
<b>Net cash provided by operating activities</b>	<b>63,132</b>	<b>14,047</b>	<b>20,094</b>
Cash flows from investing activities:			
Purchase of IxEurope, less cash acquired	-	(63)	-
Purchase of Virtu, less cash acquired	(23,241)	-	-
Purchase of San Jose IBX property	-	-	(6,500)
Purchases of other property and equipment	(125,643)	(121,002)	(67,056)
Accrued property and equipment	(3,065)	16,035	16,454
Proceeds from asset sales	-	1,657	-
Other investing activities	(13,169)	-	(470)
<b>Net cash used in investing activities</b>	<b>(165,118)</b>	<b>(103,373)</b>	<b>(57,572)</b>
Cash flows from financing activities:			
Proceeds from stock options and employee stock purchase plans	7,238	8,788	10,286
Proceeds from follow-on common stock offering	-	(38)	-
Proceeds from convertible subordinated notes	-	-	250,000
Proceeds from mortgage and loans payable	41,882	30,852	24,607
Repayment of capital lease and other financing obligations	(966)	(961)	(465)
Repayment of mortgage and loans payable	(3,092)	(577)	(497)
Debt issuance costs	(464)	(63)	(10,678)
Other financing activities	-	-	-
<b>Net cash provided by financing activities</b>	<b>44,598</b>	<b>38,001</b>	<b>273,253</b>
Effect of foreign currency exchange rates on cash and cash equivalents	(986)	(1,137)	143
Net increase (decrease) in cash, cash equivalents and investments	(58,374)	(52,462)	235,918
Cash, cash equivalents and investments at beginning of period	383,900	436,362	156,481
<b>Cash, cash equivalents and investments at end of period</b>	<b>\$ 325,526</b>	<b>\$ 383,900</b>	<b>\$ 392,399</b>
<b>Free cash flow (2)</b>	<b>\$ (101,986)</b>	<b>\$ (89,326)</b>	<b>\$ (37,478)</b>
<b>Adjusted free cash flow (3)</b>	<b>\$ (78,745)</b>	<b>\$ (90,920)</b>	<b>\$ (30,978)</b>

(1) The cash flow statements presented herein combine our short-term and long-term investments with our cash and cash equivalents in an effort to present our total unrestricted cash and equivalent balances. In our quarterly filings with the SEC on Forms 10-Q and 10-K, the purchases, sales and maturities of our short-term and long-term investments will be presented as activities within the investing activities portion of the cash flow statements.

(2) We define free cash flow as net cash provided by operating activities plus net cash used in investing activities (excluding the purchases, sales and maturities of short-term and long-term investments) as presented below:

Net cash provided by operating activities as presented above	\$ 63,132	\$ 14,047	\$ 20,094
Net cash used in investing activities as presented above	(165,118)	(103,373)	(57,572)
Free cash flow	<u>\$ (101,986)</u>	<u>\$ (89,326)</u>	<u>\$ (37,478)</u>

(3) We define adjusted free cash flow as free cash flow (as defined above) excluding any purchases or sales of real estate and acquisitions and proceeds from asset sales as presented below:

Free cash flow (as defined above)	\$ (101,986)	\$ (89,326)	\$ (37,478)
Less purchase of IxEurope, less cash acquired	-	63	-
Less purchase of Virtu, less cash acquired	23,241	-	-
Less purchase of San Jose IBX property	-	-	6,500
Less proceeds from asset sales	-	(1,657)	-
Adjusted free cash flow	<u>\$ (78,745)</u>	<u>\$ (90,920)</u>	<u>\$ (30,978)</u>