

EQUINIX INC
Form S-3ASR
September 14, 2007
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As filed with the Securities and Exchange Commission on September 14, 2007

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

EQUINIX, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

77-0487526
(I.R.S. Employer
Identification Number)

301 Velocity Way, Fifth Floor

Foster City, CA 94404

(650) 513-7000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Brandi Galvin Morandi

General Counsel and Assistant Secretary

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Equinix, Inc.

301 Velocity Way, Fifth Floor

Foster City, CA 94404

(650) 513-7000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

The Commission is requested to send copies of all communications to:

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be Registered	Amount to be Registered(1) \$	Proposed Maximum Offering Price per Security 100%	Proposed Maximum Aggregate Offering Price(1) \$	Amount of Registration Fee(1) \$
Convertible Subordinated Notes due 2014				
Common Stock, par value \$.001 per share				

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- (1) An indeterminate amount of securities to be offered at indeterminate prices is being registered pursuant to this registration statement. The registrant is deferring payment of the registration fee pursuant to Rule 456(b) and is omitting this information in reliance on Rule 456(b) and Rule 457(r).
-

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The information in this prospectus is not complete and may be changed. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 14, 2007

\$300,000,000

Equinix, Inc.

% Convertible Subordinated Notes due 2014

The notes will bear interest at the rate of _____ % per annum. Interest on the notes is payable on April 15 and October 15 of each year, beginning on April 15, 2008. The notes will mature on October 15, 2014.

Holders may convert their notes into a number of shares of our common stock determined as set forth in this prospectus, which we refer to as the conversion rate, at their option on any day to and including the business day immediately preceding the maturity date. If, at the time of conversion, the applicable stock price of our common stock is less than or equal to \$ _____ per share, which we refer to as the base conversion price, the notes will be convertible into _____ shares of common stock per \$1,000 principal amount of the notes, subject to adjustment upon the occurrence of certain events. If, at the time of conversion, the applicable stock price of our common stock exceeds the base conversion price, the conversion rate will be determined pursuant to a formula resulting in the receipt of up to _____ additional shares of common stock per \$1,000 principal amount of the notes, subject to adjustment upon the occurrence of certain events and determined as set forth in this prospectus.

We may not redeem the notes at our option. Holders may require us to repurchase some or all of their notes upon the occurrence of a fundamental change at 100% of the principal amount of the notes to be purchased, plus any accrued and unpaid interest to, but excluding, the repurchase date. In addition, if certain fundamental changes occur, we may be required in certain circumstances to increase the conversion rate for any notes converted in connection with such fundamental change by a specified number of shares of our common stock.

The notes will be our unsecured obligations and will be subordinated in right of payment to all of our senior debt and equal in right of payment with all of our subordinated debt.

We have granted to the underwriters named in this prospectus an over-allotment option to purchase up to an additional \$45,000,000 principal amount of notes.

Concurrently with this offering, we are offering 3,662,556 shares of our common stock (or a total of 4,211,939 shares if the underwriters exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. Those shares are not being offered by this prospectus. See The Concurrent Offering.

Our common stock is listed on the NASDAQ Global Select Market under the symbol EQIX. The last reported sale price of our common stock on September 13, 2007 was \$81.91 per share. The notes will not be listed on any securities exchange.

Investing in the notes involves risks. See Risk Factors beginning on page 10.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price	%	\$
Underwriting Discount	%	\$
Proceeds to Equinix (before expenses)	%	\$

The underwriters expect to deliver the notes to purchasers on or about September , 2007.

Sole Book-Running Manager

Citi

Credit Suisse

Jefferies & Company

UBS Investment Bank

Barclays Capital

September , 2007

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ABOUT THIS PROSPECTUS

This prospectus incorporates important business and financial information about us and our subsidiaries, including our recently acquired subsidiary, IXEurope plc, that is not included in or delivered with this prospectus. Information incorporated by reference is available without charge to prospective investors upon written request to us at 301 Velocity Way, Fifth Floor, Foster City, California 94404, Attention: Investor Relations, or by telephone at (650) 513-7000.

You should rely only on the information contained or incorporated by reference in this prospectus or in any related free writing prospectus. Neither we nor the underwriters have authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer or sale of securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus is accurate as of the date appearing on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

We have not taken any action to permit an offering of the notes outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the notes and the distribution of this prospectus outside of the United States.

You must comply with all applicable laws and regulations in force in any applicable jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations in force in the jurisdiction to which you are subject or in which you make your purchase, offer or sale, and neither we nor the underwriters will have any responsibility therefor.

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We reserve the right to withdraw this offering of notes at any time. We and the underwriters also reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the amount of notes offered hereby.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the notes or our common stock. Such transactions may include stabilization and the purchase of notes to cover short positions. For a description of these activities, see Underwriting.

Unless expressly stated or the context otherwise requires, the terms we, our, us, the company and Equinix refer to Equinix, Inc., a Delaware corporation, and its consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

This prospectus, including the documents incorporated by reference herein, contains forward-looking statements that involve risks and uncertainties. Statements contained in this prospectus or incorporated by reference herein that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding Equinix's financial outlook, competitive position, business strategies, expectations, beliefs, intentions or other strategies regarding the future. All forward-looking statements included in this document are based on information available to Equinix on the date hereof, and Equinix assumes no obligation to update any such forward-looking statements. Equinix's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth in this prospectus under

Risk Factors. You should carefully consider the risks described in the Risk Factors section, in addition to the other information set forth in this prospectus and incorporated by reference herein, before making an investment decision.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act relating to the notes and the common stock issuable upon conversion thereof offered by this prospectus. This prospectus is a part of that registration statement, which includes additional information not contained in this prospectus.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC (including exhibits to such documents) at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public at the SEC's website at www.sec.gov.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below (except the information contained in such documents to the extent furnished and not filed) and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

1. Annual Report on Form 10-K for the year ended December 31, 2006, filed on February 28, 2007.
2. All information in our proxy statement filed with the SEC on April 27, 2007 to the extent incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2006.

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3. Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed on May 2, 2007.
4. Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, filed on August 1, 2007.
5. Reports on Form 8-K, filed on August 30, 2007, September 7, 2007 and September 14, 2007.
6. A description of our common stock contained in our registration statement on Form 8-A (Registration No. 333-39752) filed on August 9, 2000.

Please refer to our Form 8-K filed on September 14, 2007 for the following information relating to IXEurope:

Audited consolidated balance sheets of IXEurope as of December 31, 2005 and 2006 and the related consolidated income statement, consolidated statement of recognized income and expense and consolidated cash flows for each of the three years in the period ended December 31, 2006;

Unaudited consolidated balance sheet of IXEurope as of June 30, 2007 and the related consolidated income statement, consolidated statement of recognized income and expense and consolidated cash flows for the six month periods ended June 30, 2006 and 2007;

Management's discussion and analysis of financial condition and results of operations for IXEurope for the above periods; and

Unaudited pro forma combined consolidated condensed financial information giving effect to the acquisition of IXEurope, as well as certain other significant transactions of Equinix that occurred or are expected to occur subsequent to June 30, 2007, as if such transactions had been completed as of January 1, 2006 for statements of operations purposes and as of June 30, 2007 for balance sheet purposes.

You may request, and we will provide you with, a copy of these filings, at no cost, by calling us at (650) 513-7000 or by writing to us at the following address:

Equinix, Inc.

301 Velocity Way, Fifth Floor

Foster City, CA 94404

Attn: Investor Relations

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SUMMARY

This summary highlights the information contained or incorporated by reference in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of our business and financial affairs, we encourage you to read this entire prospectus, including Risk Factors, together with the documents incorporated by reference into this prospectus, which include historical and pro forma financial statements of us and IXEurope and the notes to those financial statements, before making a decision whether to invest in the notes.

Unless expressly provided, the information contained in this prospectus assumes that the underwriters' over-allotment option is not exercised.

Overview

Equinix provides network neutral colocation, interconnection and managed services to enterprises, content companies, systems integrators and the world's largest network providers. Through our 35 Internet Business Exchange hubs, or IBX hubs, in 17 markets in the United States, Europe and the Asia-Pacific region, customers can locate their mission critical infrastructure and directly interconnect with each other for critical traffic exchange requirements. Customers choose Equinix for service reliability and the ability to access multiple networks in one location. Direct interconnection to over 200 networks, which serve more than 90% of the world's Internet routes, enables our customers to increase performance while significantly reducing costs. Based on our network neutral model and the quality of our IBX hubs, we believe we have established a critical mass of customers. We believe that this critical mass and the resulting network effect, combined with a strong financial position, will continue to drive new customer growth and bookings. In addition to our business momentum, significant increases in overall customer demand combined with reduced supply in the data center market has resulted in strong market growth and pricing power. As a result of our largely fixed cost model, any growth in revenue from our current IBX hubs would likely drive incremental margins and increased operating cash flow.

Our network neutral business model is a key differentiator for us when compared to other large providers of colocation services. Because we do not operate a network, we are able to offer our customers direct interconnection to the largest aggregation of bandwidth providers and Internet service providers. The world's top tier Internet service providers, numerous access networks, second tier providers and international carriers, such as AOL, at&t, British Telecom, Cable & Wireless, Comcast, Deutsche Telekom, Level 3, NTT, Qwest, SingTel, Sprint and Verizon, are all currently located at our IBX hubs. Access to such a wide variety of networks has attracted nine of the top 10 Internet properties and numerous other enterprise and government customers, including Amazon.com, Bank of America, Capgemini, Citibank, Deutsche Borse Systems, Electronic Arts, Fox Interactive Media, Fujitsu Asia, Goldman Sachs, Google, IBM, McGraw Hill, Merrill Lynch, MSN, NASA, News Corporation, Salesforce.com, Sony, UBS and Yahoo!.

Our services are primarily comprised of colocation, interconnection and managed IT infrastructure services.

Colocation services include cabinets, power, operations space and storage space for our customers' colocation needs.

Interconnection services include cross connects and, in certain locations, switch ports on the Equinix Exchange service. These services provide scalable and reliable connectivity that allow our customers to exchange traffic directly with the service provider of their choice or directly with each other.

Managed IT infrastructure services allow our customers to leverage our significant telecommunications expertise, maximize the benefits of our IBX hubs and optimize their infrastructure and resources.

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The colocation markets across the world have developed differently. In the United States and Asia-Pacific regions, the market for our services has historically been served by large telecommunications carriers who have bundled their telecommunications services and managed services with their colocation offerings. Over the past several years, a number of these telecommunications carriers have eliminated or reduced their colocation footprint to focus on their core businesses. Additionally, many of the competitive providers have failed to scale their businesses and have been forced to exit the market. In Europe, the market has been served by a variety of providers including traditional large telecommunications carriers as well as several network-neutral players of varying size and scale. In each of these regions, we successfully differentiate our service offerings based on our service reliability and access to multiple networks.

Equinix addresses a specific customer segment in the market, namely, those enterprise, content or network companies that need to outsource their critical infrastructure and/or to directly interconnect to multiple parties. There now exists a significant supply and demand imbalance in the customer segment we serve due to the departure or consolidation of several key players from this market, a decline in usable capacity in legacy centers which cannot adequately address the significant power needs of today's customers and a lack of new centers being built. We are focused on a valuable segment of customers who require smaller footprints and value direct interconnection. For example, although some of our larger content customers, including companies such as AOL, Google and MSN operate or are building their own data centers for their large infrastructure deployments or install large footprints in centers being built by real estate investment trusts (REITs), these customers also continue to have a presence in an Equinix data center to use our interconnection services to reach their business partners. The overall reduction in supply in the industry has led to increased pricing and accelerated demand for our centers. Although our growth is primarily driven by existing customers, we have gained many of those customers no longer served by the traditional network-based colocation providers as access to those providers' networks is also available in our IBX hubs. Strategically, we will continue to look at attractive opportunities to grow our market share and selectively improve our footprint and service offerings.

Our Strategy

Our objective is to become the premier hub for enterprises, content providers and government agencies to locate their information technology infrastructure operations in order to gain maximum benefits from the choice of networks and partners in the most simple and efficient manner. Key components of our strategy include the following:

Expand to Satisfy our Customers' Growth Needs. Our growth is primarily driven by our existing customer base ordering new services and we plan to continue to expand in key markets based on customer demand. We currently have significant expansions underway in 11 of our 17 markets across the world. As a part of our overall expansion strategy, in September 2007, we expanded into the European market with our acquisition of IXEurope plc, a leading provider of colocation services serving 450 customers in four major markets across Europe. Our global expansion strategy is to continue to grow in select existing markets and possibly expand to additional markets based on anticipated customer demand and financial return. We conduct extensive demand studies, property due diligence and financing analysis designed to examine and optimize the mix of variables in our expansion decisions. We expect to execute this expansion strategy in a cost-effective and prudent manner through a combination of acquiring existing centers through lease or purchase, or building new centers based on key criteria, such as demand and potential financial return, in each market.

Continue to Build upon our Critical Mass of Network Providers and Content Companies and Leverage the Network Effect. We have assembled a critical mass of premier network providers and content companies and have become one of the core hubs of the Internet. This critical mass is a key selling point since content

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companies want to connect with a diverse set of networks to provide the best connectivity to their end-customers and network companies want to sell bandwidth to content customers and interconnect with other networks in the most efficient manner available. As networks, content providers and enterprises locate in our IBX centers, it benefits their suppliers and business partners to do so as well to gain the full economic and performance benefits of direct interconnection. These partners, in turn, pull in their business partners, creating a network effect of customer adoption.

Grow our Enterprise Business. Our customers include several large enterprises including key players in the enterprise sector, such as Bank of America, Capgemini, Citibank, Deutsche Borse Systems, Goldman Sachs, IBM, McGraw Hill, Merrill Lynch, Salesforce.com, Sony, UBS and others. Because of our unique model of direct interconnection, we have attracted a number of large enterprises who require access to multiple networks for their web-enabled applications or to access their business partners. One example is the Financial Exchange service that we offer in IBX centers globally. This service allows financial institutions, such as the Chicago Mercantile Exchange, Deutsche Borse Systems and many others the ability to directly interconnect with networks and financial trading partners to virtually eliminate delay in electronic trading environments. We expect to expand to other enterprise segments including digital media and others and drive growth into 2008.

Promote our IBX Centers as the Highest Performance Data Centers Available. We believe that data center reliability, power availability and network choice are the most important attributes when our customers are choosing a data center provider. Our IBX hubs are next-generation data centers and offer customers advanced security, reliability and redundancy. For example, our security design in the U.S. IBX centers includes five levels of biometrics security to access customer cages and our power infrastructure includes N+1 redundancy for all systems and has delivered 99.9999% uptime over the period from January 1, 2002 through June 30, 2007. In Europe, our centers are ISO 9000:2001 certified. Our global support staff, trained to aid customers with operational support, is available 24 hours a day, 365 days a year. We intend to continue to invest in maintenance and energy efficiency initiatives and customer service support to ensure that we can continue to provide market leading service reliability.

Provide New Products and Services within our IBX Centers. We plan to continue to offer additional products and services that are consistent with our business focus on colocation and interconnection services. Such services would provide additional value to our customers as they manage their infrastructure with our IBX hubs. Examples of recent new services include our IBX Link service which allows customers to easily move traffic between IBX centers located in the same metro area and the Financial Exchange service which allows direct interconnection with electronic financial exchanges.

Recent Developments

IXEurope Acquisition

On September 14, 2007, our wholly-owned subsidiary in the United Kingdom closed the purchase of the entire issued and to be issued share capital of IXEurope plc, which we refer to as the IXEurope acquisition. Under the final terms of the IXEurope acquisition, IXEurope shareholders will receive 140 British pence in cash for each IXEurope share valuing the share capital of IXEurope on a fully diluted basis at approximately 270.1 million British pounds or approximately \$548.4 million (based on exchange rates as of September 13, 2007). We have until September 28, 2007 to pay the purchase price for the IXEurope acquisition, and we plan to use the proceeds of this offering and our concurrent common stock offering for that purpose. IXEurope operates data centers in the United Kingdom, France, Germany and Switzerland. Equinix will integrate IXEurope's business and operations under the Equinix brand. The current IXEurope management team is expected to join Equinix and continue to operate the European business.

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San Jose Property Acquisition

In July 2007, we closed on the \$65.0 million conditional purchase agreement we signed in January 2007 to purchase the building and property where our original Silicon Valley IBX center is located. We refer to this transaction as the San Jose property acquisition.

Chicago IBX Financing

In July and August 2007, we received additional advances totaling \$19.1 million, bringing the cumulative loan payable to date under the Chicago IBX financing to \$88.3 million with a blended interest rate of 8.125% per annum. As a result, the remaining amount available to borrow from the Chicago IBX financing totals \$21.7 million.

Asia-Pacific Financing

In August 2007, two of our wholly-owned subsidiaries, located in Singapore and Tokyo, Japan, entered into a multi-currency credit facility agreement for approximately \$40.0 million in local currency equivalents. We refer to this transaction as the Asia-Pacific financing. The Asia-Pacific financing has a four-year term that allows these two subsidiaries to borrow up to approximately 23.0 million Singapore dollars and 2.9 billion Japanese yen during the first 12-month period with repayment to occur over the remaining three years in twelve equal quarterly installments. Amounts undrawn at the end of the first 12-month period shall be canceled and will no longer be available for borrowing. The Asia-Pacific financing bears interest at a floating rate (the relevant three-month local cost of funds for Singapore and Japan, as applicable, plus a margin ranging from 1.85% to 2.50%) with interest payable quarterly. The Asia-Pacific financing may be used by these two subsidiaries to fund capital expenditures on leasehold improvements, equipment, and other installation costs related to IBX expansion plans in Singapore and Tokyo. The Asia-Pacific financing has several financial covenants with which we must comply quarterly, is guaranteed by Equinix and is secured by the assets of the two subsidiaries. In September 2007, we borrowed approximately 18.3 million Singapore dollars at a local borrowing rate of 4.6625% and approximately 1.5 billion Japanese yen at a local borrowing rate of 2.687%. Collectively the amounts borrowed equal approximately \$24.8 million leaving approximately \$15.2 million remaining to borrow under the Asia-Pacific financing.

Company Information

Our principal executive offices are located at 301 Velocity Way, Fifth Floor, Foster City, CA 94404 and our telephone number is (650) 513-7000. Our website is located at www.equinix.com. Information contained on or accessible through our website is not part of this prospectus.

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The Offering

Issuer	Equinix, Inc.
Securities Offered	\$300,000,000 aggregate principal amount of % Convertible Subordinated Notes due 2014. We have also granted the underwriters an over-allotment option to purchase up to an additional \$45,000,000 aggregate principal amount of notes.
Maturity Date	October 15, 2014, unless earlier repurchased or converted.
Interest and Payment Dates	The notes will bear interest at an annual rate of % . Interest is payable on April 15 and October 15 of each year, beginning on April 15, 2008.
Subordination	The notes are our unsecured obligations and will be subordinated in right of payment to all of our existing and future senior indebtedness and equal in right of payment with all of our existing and future subordinated indebtedness, including our 2.50% Convertible Subordinated Debentures due 2024 and our 2.50% Convertible Subordinated Notes due 2012. See Description of Notes Ranking. The notes are also effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries. As of June 30, 2007, on a pro forma basis, we would have had outstanding approximately \$250.1 million of senior indebtedness and \$582.3 million of subordinated indebtedness and our subsidiaries would have had approximately \$599.1 million of indebtedness and other liabilities, excluding intercompany items. The indenture governing the notes does not limit our ability or the ability of our subsidiaries to incur debt, including senior indebtedness.
Optional Redemption	We do not have the right to redeem the notes at our option.
Conversion Rights	<p>Holder may convert their notes at their option on any day to and including the business day immediately preceding the maturity date into shares of our common stock based on a conversion rate as described under Description of Notes Conversion of Notes.</p> <p>Upon conversion, holders will not receive any cash representing accrued interest, except in limited circumstances. See Description of Notes Conversion of Notes.</p>
Conversion Rate	<p>The conversion rate per \$1,000 principal amount of notes will be determined as follows:</p> <p>If the applicable stock price is less than or equal to the base conversion price, the conversion rate will be the base conversion rate.</p>

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If the applicable stock price is greater than the base conversion price, the conversion rate will be determined in accordance with the following formula:

$$\text{base conversion rate} + \left[\frac{(\text{the applicable stock price} - \text{the base conversion price})}{\text{the applicable stock price}} \times \text{the incremental share factor} \right]$$

The conversion rate, including any additional shares added to the conversion rate in connection with a make-whole fundamental change, will not exceed (which is equal to a conversion price of \$ per share); however, such maximum conversion rate will be appropriately adjusted for all base conversion rate adjustments (and adjustments to the incremental share factor) described in Description of Notes Conversion of Notes Conversion Rate Adjustments Adjustment Events.

The base conversion rate per \$1,000 principal amount of notes is , subject to adjustment as described under Description of Notes Conversion of Notes Conversion Rate Adjustments Adjustment Events. The base conversion price is a dollar amount (initially \$) derived by dividing \$1,000 by the base conversion rate. The incremental share factor is , subject to the same proportional adjustments as the base conversion rate. The applicable stock price is equal to the average of the sale prices of our common stock over the 10-trading day period starting the third trading day following the conversion date of the notes; provided that with respect to notes surrendered for conversion on or after the 13th scheduled trading day immediately preceding the maturity date, the applicable stock price shall be equal to the average of the sale prices of our common stock over the 10-trading day period immediately preceding the maturity date.

In addition, if certain fundamental changes occur, we may be required in certain circumstances to increase the conversion rate for any notes converted in connection with such fundamental change by a specified number of shares of our common stock.

Fundamental Change

If we experience a fundamental change, as described under Description of Notes Repurchase at Option of the Holder Upon a Fundamental Change, holders will, subject to specified conditions, have the right, at their option, to require us to repurchase for cash all or a portion of their notes. The repurchase price will be paid in cash and will equal 100% of the principal amount of the notes to be repurchased plus accrued and unpaid interest, if any, to, but not including, the fundamental change repurchase date.

Following certain corporate transactions that constitute a make-whole fundamental change we will increase the conversion rate for a holder who elects to convert notes in connection with such corporate transaction in certain circumstances, as described under Description of Notes Adjustment to Conversion Rate Upon Certain Changes of Control.

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Use of Proceeds

We intend to use the net proceeds of this offering, together with the net proceeds from our concurrent common stock offering, to pay for our acquisition of IXEurope. We intend to use any remaining proceeds for capital expenditures, acquisitions or general corporate purposes. See Use of Proceeds.

Trading

The notes will not be listed on any securities exchange. Our common stock is listed on the NASDAQ Global Select Market under the symbol EQIX.

Risk Factors

Investment in the notes involves risks. You should carefully consider the information under Risk Factors and all other information included in this prospectus before buying any notes.

Concurrent Common Stock Offering

Concurrently with this offering, we are offering 3,662,556 shares of our common stock (up to 4,211,939 shares if the underwriters exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. It is possible that, based on market conditions, we may increase or decrease the aggregate principal amount of the notes offered hereby and increase or decrease the number of shares offered in our concurrent common stock offering or complete one offering without the other. In any event, through this offering and our concurrent common stock offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

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The following summary consolidated financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and their related notes incorporated by reference into this prospectus and Use of Proceeds and Capitalization. The historical financial information presented below may not be indicative of our future performance. The historical summary consolidated financial data of IXEurope is not presented below. The audited financial statements of IXEurope for the three years ended December 31, 2006 and the unaudited financial statements of IXEurope for the six months ended June 30, 2006 and 2007 are incorporated into this prospectus by reference. The Unaudited Pro Forma Combined Consolidated Condensed Financial Statements are located elsewhere in this prospectus.

	Years Ended December 31,					Six Months Ended	
	2002	2003	2004	2005	2006	June 30, 2006	2007
(dollars in thousands, except per share data)							
Statement of Operations Data:							
Revenues	\$ 77,188	\$ 117,942	\$ 163,671	\$ 221,057	\$ 286,915	\$ 133,417	\$ 176,946
Costs and operating expenses:							
Cost of revenues	104,073	128,121	136,950	158,354	188,379	88,908	108,374
Sales and marketing	15,247	19,483	18,604	20,552	32,619	15,678	17,197
General and administrative	30,659	34,293	32,494	45,110	72,123	34,855	47,715
Restructuring charges	28,885		17,685	33,814	1,527		407
Gain on Honolulu IBX sale					(9,647)		
Total costs and operating expenses	178,864	181,897	205,733	257,830	285,001	139,441	173,693
Income (loss) from operations	(101,676)	(63,955)	(42,062)	(36,773)	1,914	(6,024)	3,253
Interest income	998	296	1,291	3,584	6,627	3,341	7,031
Interest expense	(35,098)	(20,512)	(11,496)	(8,880)	(14,875)	(7,433)	(9,577)
Gain (loss) on debt extinguishment and conversion	114,158		(16,211)				(3,395)
Income taxes			(153)	(543)	(439)	(600)	(551)
Cumulative effect of a change in accounting principle					376	376	
Net loss	\$ (21,618)	\$ (84,171)	\$ (68,631)	\$ (42,612)	\$ (6,397)	\$ (10,340)	\$ (3,239)
Net loss per share:							
Basic and diluted	\$ (7.23)	\$ (8.76)	\$ (3.87)	\$ (1.78)	\$ (0.22)	\$ (0.37)	\$ (0.11)
Weighted average shares	2,990	9,604	17,719	23,956	28,551	28,160	30,424
Ratio of earnings to fixed charges ⁽¹⁾	1.0:2.0				1.0:1.5	1.0:8.8	1.0:1.5

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	As of June 30, 2007	
	Actual	Pro Forma(2)
	(dollars in thousands)	
Balance Sheet Data:		
Cash, cash equivalents and short-term and long-term investments	\$ 323,966	\$ 359,922
Accounts receivable, net	28,140	40,156
Property and equipment, net	760,175	958,799
Total assets	1,175,451	1,908,729
Capital lease and other financing obligations, excluding current portion	91,557	94,547
Mortgage and loans payable, excluding current portion	164,841	247,307
Convertible debt	282,250	582,250
Total stockholders' equity	442,674	727,360

- (1) In calculating the ratio of earnings to fixed charges, earnings consist of net loss before income tax expense, cumulative effect of a change in accounting principle and fixed charges. Fixed charges consist of interest expense, including such portion of rental expense that was attributed to interest. The ratio of earnings to fixed charges was less than 1.0 to 1.0 for each of the periods presented, except the years ended December 31, 2002 and December 31, 2006 and the six months ended June 30, 2006 and 2007. The coverage deficiency for the years ended December 31, 2003, 2004 and 2005 was \$84.2 million, \$68.6 million and \$42.6 million, respectively.
- (2) Reflects (1) the IXEurope acquisition, (2) the sale of the notes offered hereby, after deducting underwriting discounts and estimated offering expenses, (3) the concurrent sale of our common stock, after deducting underwriting discounts and estimated offering expenses, (4) the termination of the unused senior bridge loan, (5) the completion of the San Jose property acquisition, (6) additional advances during July and August 2007 under the Chicago IBX financing and (7) the Asia-Pacific financing, all of which are more fully described in the Unaudited Pro Forma Combined Consolidated Condensed Financial Statements included elsewhere in this prospectus. Concurrently with this offering, we are offering 3,662,556 shares of our common stock (up to 4,211,939 shares if the underwriters exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. It is possible that, based on market conditions, we may increase or decrease the aggregate principal amount of the notes offered hereby and increase or decrease the number of shares offered in our concurrent common stock offering or complete one offering without the other. In any event, through this offering and our concurrent common stock offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

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RISK FACTORS

*Any investment in the notes or our common stock involves a high degree of risk. You should consider the risks described below carefully and all of the information contained in this prospectus before deciding whether to purchase the notes. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the events described in the following risks actually occur, our business, financial condition and results of operations could suffer. In that event, the price of the notes and our common stock could decline, and you may lose all or part of your investment in the notes and our common stock. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See *Forward-Looking Statements*.*

Risks Related to the Acquisition of IXEurope

We may not be able to successfully integrate IXEurope and achieve the benefits we expect from the IXEurope acquisition.

We will only achieve the benefits that are expected to result from the IXEurope acquisition if we can successfully integrate its administrative, finance, operations, sales and marketing organizations, and implement appropriate systems and controls.

The success of the IXEurope acquisition and integration into our operations will involve a number of risks, including:

the possible diversion of our management's attention from other business concerns, including our previously announced expansion plans in the U.S. and Asia-Pacific regions;

the potential inability to successfully pursue some or all of the anticipated revenue opportunities associated with the IXEurope acquisition;

the possible loss of IXEurope's key employees;

the potential inability to achieve expected operating efficiencies in IXEurope's operations;

the increased complexity and diversity of our operations after the IXEurope acquisition compared to our prior operations;

the impact on our internal controls and compliance with the regulatory requirements under the Sarbanes-Oxley Act of 2002; and

unanticipated problems, expenses or liabilities.

If we fail to integrate IXEurope successfully and/or fail to realize the intended benefits of the IXEurope acquisition, our results of operations could be materially and adversely affected. In addition, the IXEurope acquisition will result in a substantial goodwill asset, which will be subject to an annual impairment analysis. If this goodwill were to be impaired in the future, it could have a significant negative impact on our results of operations.

Risks Related to Our Business

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

We have a significant amount of debt. As of June 30, 2007, our total indebtedness was approximately \$543.1 million, and our total indebtedness would have been \$930.2 million on a pro forma basis. Our substantial level of debt could have important consequences. For example, it could:

require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, reducing the availability of our cash flow to fund future capital expenditures, working capital, execution of our expansion strategy and other general corporate requirements;

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make it more difficult for us to satisfy our obligations under our various debt instruments, including the notes;

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 ability to borrow additional funds, even when necessary to maintain adequate liquidity; and

make us more vulnerable to increases in interest rates because of the variable interest rates on some of our borrowings.

The occurrence of any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition.

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

Although we have generated cash from operations since the quarter ended September 30, 2003, for the years ended December 31, 2004, 2005 and 2006, we incurred net losses of \$68.6 million, \$42.6 million and \$6.4 million, respectively. Furthermore, for the six months ended June 30, 2007, we incurred an additional net loss of \$3.2 million. Although our net losses have generally been decreasing in recent quarters, we are also currently investing heavily in our future growth through the build-out of several additional IBX centers and IBX center expansions. As a result, we will incur higher depreciation and other operating expenses that will negatively impact our ability to achieve and sustain profitability unless and until these new IBX centers generate enough revenue to exceed their operating costs and cover our additional overhead needed to scale our business for this anticipated growth. In addition, costs associated with the IXEurope acquisition and the integration of the two companies, as well as the additional interest expense associated with debt financing we intend to undertake to fund our growth initiatives, may also negatively impact our ability to achieve and sustain profitability. Although our goal is to achieve profitability, there can be no guarantee that we will become profitable, and we may continue to incur additional losses. Even if we achieve profitability, 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.

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, including construction of new IBX centers beyond those expansion projects already announced. We will be required to commit substantial operational and financial resources to these IBX centers, generally 12-18 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 centers. Any of these contingencies, if they were to occur, could make it difficult for us to realize expected or reasonable returns on these investments.

We have begun construction of new IBX centers, and may begin construction of additional new IBX centers, which could involve significant risks to our business.

We believe that most of the pre-existing built-out data centers have already been acquired, and that there are few if any viable distressed assets available for us to acquire in our key markets today. In order to sustain our growth in these markets, we must acquire suitable land with or without structures to build our new IBX centers

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from the ground up, a greenfield build. Greenfield builds are currently underway in the Chicago, Los Angeles, Washington D.C. and New York metro areas. A greenfield build involves substantial planning and lead-time, much longer time to completion than we have currently experienced in our recent IBX retrofits of existing data centers, and significantly higher costs of construction, equipment and materials, which could have a negative impact on our returns. A greenfield build also requires us to carefully select and rely on the experience of one or several general contractors and associated subcontractors during the construction process. Should a general contractor or significant subcontractor experience financial or other problems during the construction process, we could experience significant delays, increased costs to complete the project and other negative impacts to our expected returns. Site selection is also a critical factor in our expansion plans, and there may not be suitable properties available in our markets with the necessary combination of high power capacity and fiber connectivity.

While we may prefer to locate new IBX centers adjacent to our existing locations, we may be limited by the inventory and location of suitable properties as well as the need for adequate power and fiber to the site. In the event we decide to build new IBX centers separate from our existing IBX centers, we may provide services to interconnect these two centers. Should these services not provide the necessary reliability to sustain service, this could result in lower interconnection revenue, lower margins and could have a negative impact on customer retention over time.

If we are not able to generate sufficient operating cash flow or obtain external financing, our ability to fund capital expenditures or fulfill our obligations or execute expansion plans may be limited.

Our capital expenditures, together with ongoing operating expenses and obligations to service our debts, will be a substantial drain on our cash flow and may decrease our cash balances. We regularly assess markets for external financing opportunities, including debt and equity. 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 needed debt and/or equity financing or to generate sufficient cash from operations may require us to abandon projects or curtail capital expenditures. If we curtail capital expenditures or abandon projects, we could be materially adversely affected.

Any failure of our physical infrastructure or services could lead to significant costs and disruptions that could reduce our revenue and harm our business reputation and financial results.

Our business depends on providing customers with highly reliable service. We must protect our customers' IBX infrastructure and their equipment located in our IBX centers. We continue to acquire IBX centers not built by us. If these IBX centers and their infrastructure assets are not in the condition we believe them to be in, we may be required to incur substantial additional costs to repair or upgrade the centers. The services we provide in each of our IBX centers are subject to failure resulting from numerous factors, including:

human error;

physical or electronic security breaches;

fire, earthquake, flood, tornados 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.

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Problems at one or more of our IBX centers, whether or not within our control, could result in service interruptions or significant equipment damage. For example, in the event of an unusually long period of extreme heat, we may not be able to keep certain of our centers in compliance with our stated cooling objectives or the center's cooling units could fail under the strain. The extreme temperatures could also lead to our suppliers experiencing electrical power outages or shortages. We have service level commitment obligations to certain of our customers, including our significant customers. As a result, service interruptions or significant equipment damage in our IBX centers could result in difficulty maintaining service level commitments to these customers and potential claims related to such failures. For example, for the year ended December 31, 2005, we recorded \$457,000 in service level credits to various customers, primarily associated with two separate power outages that affected our Chicago and Washington, D.C. metro area IBX centers.

If we incur significant financial commitments to our customers in connection with a loss of power, or our failure to meet other service level commitment obligations, our liability insurance may not be adequate. In addition, any loss of services, 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 U.S., Asia, Europe and elsewhere, some of which have experienced significant system failures and electrical outages in the past. Users of our services may in the future experience difficulties due to system failures unrelated to our systems and services. If for any reason, these providers fail to provide the required services, our business, financial condition and results of operations could be materially adversely impacted.

A portion of our managed services business in Singapore involves the processing and storage of confidential customer information. Inappropriate use of those services could jeopardize the security of customers' confidential information causing losses of data or financially impacting our customers or us and subjecting us to the risk of lawsuits. Efforts to alleviate problems caused by computer viruses or other inappropriate uses or security breaches may lead to interruptions, delays or cessation of our managed services.

There is no known prevention or defense against denial of service attacks. During a prolonged denial of service attack, Internet service may not be available for several hours, thus negatively impacting hosted customers' on-line business transactions. Affected customers might file claims against us under such circumstances. Our property and liability insurance may not be adequate to cover these customer claims.

We expect our operating results to fluctuate.

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

financing or other expenses related to the acquisition, purchase or construction of additional IBX centers;

mandatory expensing of employee stock-based compensation, including restricted shares and units;

financing or other expenses related to the IXEurope acquisition;

demand for space, power and services at our IBX centers;

changes in general economic conditions and specific market conditions in the telecommunications and Internet industries;

costs associated with the write-off or exit of unimproved or underutilized property;

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the provision of customer discounts and credits;

the mix of current and proposed products and services and the gross margins associated with our products and services;

the timing required for new and future centers to open or become fully utilized;

competition in the markets in which we operate;

conditions related to international operations;

increasing repair and maintenance expenses in connection with aging IBX centers;

lack of available capacity in our existing IBX centers to book new revenue or delays in opening up new or acquired IBX centers may delay our ability to book new revenue in markets which have otherwise reached capacity;

the timing and magnitude of other operating expenses, including taxes, capital expenditures and expenses related to the expansion of sales, marketing, operations and acquisitions, if any, of complementary businesses and assets; and

the cost and availability of adequate public utilities, including power.

Any of the foregoing factors, or other factors discussed elsewhere in this prospectus, 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. We have generated net losses every fiscal year since inception. Furthermore, for the six months ended June 30, 2007, we incurred an additional net loss of \$3.2 million. It is possible that we may not be able to generate positive 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. If this occurs, we could experience an immediate and significant decline in the trading price of our stock.

Our inability to use our tax net operating losses will cause us to pay taxes at an earlier date and in greater amounts, which may harm our operating results.

We believe that our ability to use our pre-2003 tax net operating losses, or NOLs, in any taxable year is subject to limitations under Section 382 of the United States Internal Revenue Code of 1986, as amended, or the Code, as a result of the significant change in the ownership of our stock that resulted from our combination with i-STT Pte Ltd and Pihana Pacific, Inc. in 2002, which we call the combination. We expect that a significant portion of our NOLs that accrued prior to December 31, 2002 will expire unused as a result of this limitation. In addition to the limitations on NOL carry-forward utilization described above, we believe that Section 382 of the Code will also significantly limit our ability to use the depreciation and amortization on our assets, as well as certain losses on the sale of our assets, to the extent that such depreciation, amortization and losses reflect unrealized depreciation that was inherent in such assets as of the date of the combination. These limitations will cause us to pay taxes at an earlier date and in greater amounts than would occur absent such limitations.

We are exposed to potential risks from legislation requiring companies to evaluate controls under Section 404 of the Sarbanes-Oxley Act of 2002.

Although we received an unqualified opinion regarding the effectiveness of our internal controls over financial reporting as of December 31, 2006, in the course of our ongoing evaluation of our internal controls over financial reporting, we have identified certain areas which we would

like to improve and are in the process of

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evaluating and designing enhanced processes and controls to address these areas identified during our evaluation, none of which we believe constitutes or will constitute a material change. However, we cannot be certain that our efforts will be effective or sufficient for us, or our independent registered public accounting firm, to issue unqualified reports in the future, especially as our business continues to grow and evolve.

It may be difficult to design and implement effective financial controls for combined operations, and differences in existing controls of any acquired businesses, including IXEurope, may result in weaknesses that require remediation when the financial controls and reporting are combined.

Our ability to manage our operations and growth will require us to improve our operational, financial and management controls, as well as our internal reporting systems and controls. We may not be able to implement improvements to our internal reporting systems and controls in an efficient and timely manner and may discover deficiencies in existing systems and controls.

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, 2004, 2005 and 2006, we recognized 13%, 13% and 14%, respectively, of our revenues outside North America. For the six months ended June 30, 2007, we recognized 15% of our revenues outside North America. We anticipate that the acquisition of IXEurope will increase the percentage of our revenues derived from sources outside North America.

To date, the neutrality of our IBX centers and the variety of networks available to our customers has often been a competitive advantage for us. In certain of our acquired IBX centers, in Singapore in particular, the limited number of carriers available reduces that advantage. As a result, we may need to adapt our key revenue-generating services and pricing to be competitive in that market.

We may experience gains and losses resulting from fluctuations in foreign currency exchange rates. To date, the majority of our revenues and costs have been denominated in U.S. dollars; however, the majority of revenues and costs in our international operations have been denominated in Singapore dollars, Japanese yen and Australia and Hong Kong dollars. With the completion of the IXEurope acquisition, certain of our revenues and costs will also be denominated in the British pound sterling, the euro and the Swiss franc. Although we have in the past and may decide to undertake foreign exchange hedging transactions in the future to reduce foreign currency transaction exposure, we do not currently intend to eliminate all foreign currency transaction exposure. Where our prices are denominated in U.S. dollars, our sales could be adversely affected by declines in foreign currencies relative to the U.S. dollar, thereby making our products and services more expensive in local currencies.

We are currently undergoing expansions or evaluating expansion opportunities in Europe and in the Asia-Pacific region. Undertaking and managing expansions in foreign jurisdictions may present unanticipated challenges to us. In addition, any expansion requires substantial operational and financial resources, and we may not have sufficient customer demand to support the expansion once complete. Unanticipated technological changes could also affect customer requirements for data centers and we may not have built such requirements into our expanded IBX centers. We are also exposed to risks resulting from fluctuations in foreign currency exchange rates in connection with our international expansions. To the extent we are paying contractors in foreign currencies, our expansions could cost more than anticipated from declines in the U.S. dollar relative to foreign currencies.

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

the costs of customizing IBX centers for foreign countries;

protectionist laws and business practices favoring local competition;

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greater difficulty or delay in accounts receivable collection;

difficulties in staffing and managing foreign operations, including negotiating with foreign labor unions or workers' councils;

political and economic instability;

our ability to obtain, transfer, or maintain licenses required by governmental entities with respect to our business; and

compliance with evolving governmental regulation with which we have little experience.

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

Customers are increasing their use of high-density electrical power equipment, such as blade servers, in our IBX centers which has significantly increased the demand for power on a per cabinet basis. Because most of our centers were built several years ago, the current demand for electrical power may exceed the designed electrical capacity in these centers. As electrical power, not space, is typically the limiting factor in our IBX data centers, our ability to fully utilize those IBX centers may be limited. The availability of sufficient power may also pose a risk to the successful operation of our new IBX centers. The ability to increase the power capacity of an IBX, 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 to deliver additional power to customers. Although we are currently designing and building to a much higher power specification, there is a risk that demand will continue to increase and our IBX centers could become obsolete sooner than expected.

We have made, and may continue to make, acquisitions which pose integration and other risks that could harm our business.

We have recently acquired several new IBX centers, and we may seek to acquire additional IBX centers, real estate for development of new IBX centers, or complementary businesses, such as IXEurope, products, services or technologies. As a result of these acquisitions, we may be required to incur additional debt and expenditures and issue additional shares of our common stock to pay for the acquired businesses, products, services or technologies, which may dilute our stockholders' ownership interest and may delay, or prevent, our profitability. These acquisitions may also expose us to risks such as:

the possibility that we may not be able to successfully integrate acquired businesses or achieve the level of quality in such businesses to which our customers are accustomed;

the possibility that additional capital expenditures may be required;

the possibility that senior management may be required to spend considerable time negotiating agreements and integrating acquired businesses;

the possible loss or reduction in value of acquired businesses;

the possibility that our customers may not accept either the existing equipment infrastructure or the look-and-feel of a new or different IBX center;

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the possibility that carriers may find it cost-prohibitive or impractical to bring fiber and networks into a new IBX center;

the possibility of pre-existing undisclosed liabilities regarding the property or IBX center, including but not limited to environmental or asbestos liability, of which our insurance may be insufficient or for which we may be unable to secure insurance coverage; and

the possibility that the concentration of our IBX centers in the Silicon Valley, Los Angeles and Tokyo, Japan metro areas may increase our exposure to seismic activity, especially if these centers are located on or near fault zones.

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We cannot assure you that the price for any future acquisitions will be similar to prior IBX acquisitions. In fact, we expect acquisition costs, including capital expenditures required to build or render new IBX 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 business could be harmed by prolonged electrical power outages or shortages, increased costs of energy or general lack of availability of electrical resources.

Our IBX centers are susceptible to regional costs of power, electrical power shortages, planned or unplanned power outages and limitations, especially internationally, on the availability of adequate power resources.

Power outages, such as those that occurred in California during 2001, the Northeast in 2003 and from the tornados on the U.S. east coast in 2004, could harm our customers and our business. We attempt to limit exposure to system downtime by using backup generators and power supplies; however, we may not be able to limit our exposure entirely even with these protections in place, as was the case with the power outages we experienced in our Chicago and Washington, D.C. metro area IBX centers in 2005.

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

In each of our markets, we rely on third parties to provide a sufficient amount of power for current and future customers. At the same time, power and cooling requirements are growing on a per unit basis. As a result, some customers are consuming an increasing amount of power per cabinet. We generally do not control the amount of electric power our customers draw from their installed circuits. This means that we could face power limitations in our centers. This could have a negative impact on the effective available capacity of a given center and limit our ability to grow our business, which could have a negative impact on our financial performance, operating results and cash flows.

We may also have difficulty obtaining sufficient power capacity for potential expansion sites in new or existing markets. We may experience significant delays and substantial increased costs demanded by the utilities to provide the level of electrical service required by our current IBX center designs.

We may be forced to take steps, and may be prevented from pursuing certain business opportunities, to ensure compliance with certain tax-related covenants agreed to by us in connection with the combination.

We agreed to a covenant in connection with the combination (which we refer to as the FIRPTA covenant) that we would use all commercially reasonable efforts to ensure that at all times from and after the closing of the combination none of our capital stock issued to STT Communications would constitute United States real property interests within the meaning of Section 897(c) of the Code. Under Section 897(c) of the Code, our capital stock issued to STT Communications would generally constitute United States real property interests at such point in time that the fair market value of the United States real property interests owned by us equals or exceeds 50% of the sum of the aggregate fair market values of (a) our United States real property interests, (b) our interests in real property located outside the United States and (c) any other assets held by us which are used or held for use in our trade or business. Currently, the fair market value of our United States real property interests is significantly below the 50% threshold. However, in order to ensure compliance with the FIRPTA covenant, we may be limited with respect to the business opportunities we may pursue, particularly if the business opportunities would increase the amounts of United States real property interests owned by us or decrease the amount of other assets owned by us. In addition, we may take proactive steps to avoid our capital stock being deemed a United States real property interest, including, but not limited to, (a) a sale-leaseback

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transaction with respect to some or all of our real property interests, or (b) the formation of a holding company organized under the laws of the Republic of Singapore which would issue shares of its capital stock in exchange for all of our outstanding stock (which would require the submission of that transaction to our stockholders for their approval and the consummation of that exchange). We will take these actions only if such actions are commercially reasonable for our stockholders and us. We have entered into an agreement with STT Communications and its affiliate pursuant to which we will no longer be bound by the FIRPTA covenant as of September 30, 2009. If we were to breach this covenant, we may be liable for damages to STT Communications.

Increases in property taxes could adversely affect our business, financial condition and results of operations.

Our IBX centers are subject to state and local real property taxes in the U.S. and certain of our European jurisdictions. The state and local real property taxes on our IBX centers may increase as property tax rates change and as the value of the properties are assessed or reassessed by taxing authorities. Many state and local governments are facing budget deficits, which may cause them to increase assessments or taxes. If property taxes increase, our business, financial condition and operating results could be adversely affected.

STT Communications has voting control over a substantial portion of our stock and has influence over matters requiring stockholder consent.

As of June 30, 2007, STT Communications, through its subsidiary, i-STT Investments (Bermuda) Ltd., had voting control over approximately 13.5% of our outstanding common stock. In addition, STT Communications is not prohibited from buying shares of our stock in public or private transactions. As a result, STT Communications is able to exercise significant control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, which could prevent or delay a third party from acquiring or merging with us.

Our non-U.S. customers include numerous related parties of STT Communications.

We continue to have contractual and other business relationships and may engage in material transactions with affiliates of STT Communications. Circumstances may arise in which the interests of STT Communications' affiliates may conflict with the interests of our other stockholders. In addition, entities affiliated with STT Communications make investments in various companies. They have invested in the past, and may invest in the future, in entities that compete with us. In the context of negotiating commercial arrangements with affiliates, conflicts of interest have arisen in the past and may arise, in this or other contexts, in the future. We cannot assure you that any conflicts of interest will be resolved in our favor.

If regulated materials are discovered at centers leased or owned by us, we may be required to remove or clean-up such materials, the cost of which could be substantial.

We are subject to various 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

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under applicable laws, regulations or leases for the removal or cleanup of such substances or materials, the cost of which could be substantial. In addition, noncompliance with existing, or adoption of more stringent, environmental or health and safety laws and regulations or the discovery of previously unknown contamination could require us to incur costs or become the basis of new or increased liabilities that could be material.

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

The presence of diverse telecommunications carriers' fiber networks in our IBX 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 centers. Carriers will likely evaluate the revenue opportunity of an IBX center based on the assumption that the environment will be highly competitive. We cannot assure you that any carrier will elect to offer its services within our IBX centers or that once a carrier has decided to provide Internet connectivity to our IBX centers that it will continue to do so for any period of time. Further, many carriers are experiencing business difficulties or announcing consolidations. As a result, some carriers may be forced to downsize or terminate connectivity within our IBX centers, which could have an adverse effect on our operating results.

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

Our networks may be vulnerable to unauthorized persons accessing our systems, which could disrupt our operations and result in the theft of our proprietary information.

A party who is able to breach the security measures on our networks could misappropriate either our proprietary information or the personal information of our customers, or cause interruptions or malfunctions in our operations. We may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by breaches in security, which could have a material adverse effect on our financial performance and operating results.

A small number of customers, including IBM, account for a significant portion of our revenues, and the loss of any of these customers could significantly harm our business, financial condition and results of operations.

While no single customer accounted for 10% of our revenues for the year ended December 31, 2006 and the six months ended June 30, 2007, our top ten customers accounted for 25% and 24%, respectively, of our revenues during these periods. As of June 30, 2007, we had 1,373 customers. Notwithstanding our acquisition of IXEurope and the integration of its customer base with ours, we expect that a small percentage of our customers will continue to account for a significant portion of our revenues for the foreseeable future. We cannot guarantee that we will retain these customers or that they will maintain their commitments in our IBX centers at current levels. For example, although the term of our contract with IBM, our single largest customer, runs through 2011, IBM currently has the right to reduce its commitment to us pursuant to the terms and requirements of its customer agreement. If we lose any of these key customers, or if any of them decide to reduce the level of their commitment to us, our business, financial condition and results of operations could be adversely affected.

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We resell products and services of third parties that may require us to pay for such products and services even if our customers fail to pay us for the products and services, which may have a negative impact on our operating results.

In order to provide resale services such as bandwidth, managed services and other network management services, we contract with third party service providers. These services require us to enter into fixed term contracts for services with third party suppliers of products and services. If we experience the loss of a customer who has purchased a resale product, we will remain obligated to continue to pay our suppliers for the term of the underlying contracts. The payment of these obligations without a corresponding payment from customers will reduce our financial resources and may have a material adverse effect on our operating and financial results and cash flows.

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

Our IBX centers and other products and services must be able to differentiate themselves from those of other providers of space and services for telecommunications companies, web-hosting companies and other colocation providers. In addition to competing with neutral colocation providers, we must compete with traditional colocation providers, including local phone companies, long distance phone companies, Internet service providers and web-hosting facilities. Similarly, with respect to our other products and services, including managed services, bandwidth services and security services, we must compete with more established providers of similar services. Most of these companies have longer operating histories and significantly greater financial, technical, marketing and other resources than us.

Because of their greater financial resources, some of our competitors have the ability to adopt aggressive pricing policies, especially if they have been able to restructure their debt or other obligations. As a result, in the future, we may suffer from pricing pressure that would adversely affect our ability to generate revenues and adversely affect our operating results. In addition, these competitors could offer colocation on neutral terms, and may start doing so in the same metropolitan areas in which we have IBX centers. Some of these competitors may also provide our target customers with additional benefits, including bundled communication services, and may do so in a manner that is more attractive to our potential customers than obtaining space in our IBX centers. If these competitors were able to adopt aggressive pricing policies together with offering colocation space, our ability to generate revenues would be materially adversely affected.

We may also face competition from persons seeking to replicate our IBX concept by building new centers or converting existing centers that some of our competitors are in the process of divesting. We may continue to see increased competition for data center space and customers from large REITS who also operate in our market. We may experience competition from our landlords, some of which are REITS, in this regard. 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. Landlords/REITS may enjoy a cost effective advantage in providing services similar to those provided by our IBXs, and in addition to the risk of losing customers to these parties this could also reduce the amount of space available to us for expansion in the future. Competitors may operate more successfully or form alliances to acquire significant market share. Furthermore, enterprises that have already invested substantial resources in outsourcing arrangements may be reluctant or slow to replace, limit or compete with their existing systems by becoming a customer. Customers may also decide it is cost effective for them to build out their own data centers which could have a negative impact on our results of operations. In addition, other companies may be able to attract the same potential customers that we are targeting. Once customers are located in competitors' facilities, it may be extremely difficult to convince them to relocate to our IBX centers.

Because we depend on the retention of key employees, failure to maintain competitive compensation packages, including equity incentives, may be disruptive to our business.

Our success in retaining key employees and discouraging them from moving to a competitor is an important factor in our ability to remain competitive. As is common in our industry, our employees are typically compensated through grants of equity awards in addition to their regular salaries. In addition to granting equity

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awards to selected new hires, we periodically grant new equity awards to certain employees as an incentive to remain with us. To the extent we are unable to offer competitive compensation packages to our employees and adequately maintain equity incentives due to equity expensing or otherwise, and should employees decide to leave us, this may be disruptive to our business and may adversely affect our business, financial condition and results of operations.

Because we depend on the development and growth of a balanced customer base, failure to attract 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 network service providers, site and performance management companies, and enterprise and content companies. The more balanced the customer base within each IBX 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 centers will depend on a variety of factors, including the presence of multiple carriers, the mix of products and services offered by us, the overall mix of customers, the IBX center's operating reliability and security and our ability to effectively market our services. In addition, some of our customers are, and are likely to continue to be, Internet companies that face many competitive pressures and that may not ultimately be successful. If these customers do not succeed, they will not continue to use the IBX centers. This may be disruptive to our business and may adversely affect our business, financial condition and results of operations.

Our products and services have a long sales cycle that may materially adversely affect our business, financial condition and results of operations.

A customer's decision to license cabinet space in one of our IBX centers and to purchase additional services typically involves a significant commitment of resources. In addition, some customers will be reluctant to commit to locating in our IBX centers until they are confident that the IBX center has adequate carrier connections. As a result, we have a long sales cycle. Furthermore, we may expend significant time and resources in pursuing a particular sale or customer that does not result in revenue. Delays due to the length of our sales cycle may materially adversely affect our business, financial condition and results of operations.

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

While we own certain of our IBX centers, others are leased under long-term arrangements with lease terms expiring at various dates ranging from 2010 to 2025. 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 centers. All of our IBX center leases have renewal options available to us. However, these renewal options provide for rent set at then-prevailing market rates. To the extent that then-prevailing market rates are higher than present rates, these higher costs may adversely impact our business and results of operations.

If the market price of our stock continues to be highly volatile, the value of an investment in our common stock may decline.

Since January 1, 2006, the closing sale price of our common stock on the NASDAQ Global Select Market ranged from \$41.43 to \$96.99 per share. The market price of the shares of our common stock has been and may continue to be highly volatile. Actual sales, or the market's perception with respect to possible sales, of a substantial number of shares of our common stock within a narrow period of time could cause our stock price to fall. Announcements by others or us may also have a significant impact on the market price of our common stock. These announcements may include:

our operating results;

new issuances of equity, debt or convertible debt;

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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 stock by securities analysts;

purchase or development of real estate and/or additional IBX centers;

acquisitions of complementary businesses;

announcements with respect to the operational performance of our IBX centers;

market conditions for telecommunications stocks in general; and

general economic and market conditions.

The stock market has from time to time experienced extreme price and volume fluctuations, which have particularly affected the market prices for emerging telecommunications companies, and which have often been unrelated to their operating performance. These broad market fluctuations may adversely affect the market price of our common stock.

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

In the past, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. During the quarter ended September 30, 2001, putative shareholder class action lawsuits were filed against us, a number of our officers and directors, and several investment banks that were underwriters of our initial public offering. Similar complaints were filed against more than 300 other issuers, their officers and directors, and investment banks. The suits allege that the underwriter defendants agreed to allocate stock in our initial public offering to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases in the aftermarket at pre-determined prices. Plaintiffs allege that the prospectus for our initial public offering was false and misleading and in violation of the securities laws because it did not disclose these arrangements. A previously agreed upon settlement with the plaintiffs has been terminated. On August 14, 2007, the plaintiffs filed amended complaints in six cases selected as test, or focus, cases (ours is not one of the focus cases). Plaintiffs plan to move for class certification this fall. If plaintiffs are successful in obtaining class certification in the focus cases, they will also likely file an amended complaint against us. We are continuing to participate in the defense of this litigation, which may increase our expenses and divert management's attention and resources. In addition, we may, in the future, be subject to other securities class action or similar litigation.

On June 29, 2006 and September 18, 2006, shareholder derivative actions were filed in the Superior Court of the State of California, County of San Mateo, naming Equinix as a nominal defendant and several of Equinix's current and former officers and directors as individual defendants. These actions were consolidated, and the consolidated complaint was filed in January 2007. The consolidated complaint alleges that the individual defendants breached their fiduciary duties and violated California securities law as a result of purported backdating of stock option grants, insider trading and the preparation and approval of inaccurate financial results. Plaintiffs seek to recover, on behalf of Equinix, unspecified monetary damages, corporate governance changes, equitable and injunctive relief, restitution and fees and costs. In March 2007, the state court stayed this action in deference to a federal shareholder derivative action filed in the United States District Court for the Northern

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District of California in October 2006. The federal action named Equinix as a nominal defendant and several current and former officers and directors as individual defendants. This complaint alleged that the individual defendants breached their fiduciary duties and violated California and federal securities laws as a result of purported backdating of stock options, insider trading and the dissemination of false statements. On April 12, 2007, the federal action was voluntarily dismissed without prejudice pursuant to a joint stipulation entered as an

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order by the court. On May 3, 2007, the state court lifted the stay on proceedings in the state court action and set a briefing schedule permitting us to file a motion to dismiss on the grounds that plaintiffs lack standing to sue on our behalf. We filed our motion to dismiss on June 4, 2007 and appeared for a hearing on the motion on August 6, 2007. The state court recently granted our motion to dismiss and granted plaintiffs leave to amend their consolidated complaint. In addition to the pending state court derivative action, we may be subject to additional derivative or other lawsuits that may be presented on an individual or class basis alleging claims based on our stock option granting practices. Responding to, investigating and/or defending against these complaints will present a substantial cost to us in both cash and the attention of certain management. Any adverse outcome in litigation could seriously harm our business and results of operations.

Risks Related to Our Industry

If the use of the Internet and electronic business does not grow, our revenues may not grow.

Acceptance and use of the Internet may not continue to develop at historical rates and a sufficiently broad base of consumers may not adopt or continue to use the Internet and other online services as a medium of commerce. Demand for Internet services and products are subject to a high level of uncertainty and are subject to significant pricing pressure, especially in Asia-Pacific. As a result, we cannot be certain that a viable market for our IBX centers will materialize. If the market for our IBX centers grows more slowly than we currently anticipate, our revenues may not grow and our operating results could suffer.

Government regulation may adversely affect the use of the Internet and our business.

Various laws and governmental regulations governing Internet related services, related communications services and information technologies and electronic commerce remain largely unsettled, even in areas where there has been some legislative action. This is true both in the U.S. and the various foreign countries in which we operate. It may take years to determine whether and how existing laws, such as those governing intellectual property, privacy, libel, telecommunications services and taxation, apply to the Internet and to related services such as ours. We have limited experience with such international regulatory issues and substantial resources may be required to comply with regulations or bring any non-compliant business practices into compliance with such regulations. In addition, the development of the market for online commerce and the displacement of traditional telephony service by the Internet and related communications services may prompt an increased call for more stringent consumer protection laws or other regulation both in the U.S. and abroad that may impose additional burdens on companies conducting business online and their service providers. The compliance with, adoption or modification of, laws or regulations relating to the Internet, or interpretations of existing laws, could have a material adverse effect on our business, financial condition and results of operation.

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

The telecommunications industry is currently undergoing consolidation. As customers combine businesses, they may require less colocation space, and there may be fewer networks available to choose from. Given the competitive and evolving nature of this industry, further consolidation of our customers and/or our competitors may present a risk to our network neutral business model and have a negative impact on our revenues. In addition, increased utilization levels industry-wide could lead to a reduced amount of attractive expansion opportunities available to us.

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

The September 11, 2001 terrorist attacks in the U.S., the ensuing declaration of war on terrorism and the continued threat of terrorist activity and other acts of war or hostility appear to be having an adverse effect on business, financial and general economic conditions internationally. These effects may, in turn, increase our costs

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due to the need to provide enhanced 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 centers. We may not have adequate property and liability insurance to cover catastrophic events or attacks.

Risks Related to this Offering and the Notes

The notes are our unsecured subordinated obligations and are subordinated in right of payment to our senior debt.

The notes will be our unsecured obligations and will rank, in right of payment, junior to all of our existing and future senior debt. The notes will rank equal in right of payment to all of our existing and future subordinated debt, including our 2.50% Convertible Subordinated Debentures due 2024 and our 2.50% Convertible Subordinated Notes due 2012.

In the event we default on any of our senior debt or in the event we undergo a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, the proceeds of the sale of our assets would first be applied to the repayment of our senior debt before any of those proceeds would be available to make payments on our subordinated debt, including the notes. Accordingly, there may be no assets remaining from which claims of the holders of the notes could be satisfied, or if any assets remained, they might be insufficient to satisfy those claims in full.

As of June 30, 2007, we had outstanding approximately \$167.1 million of senior indebtedness and \$282.3 million of subordinated indebtedness ranking equally with the notes on an actual basis and approximately \$250.1 million of senior indebtedness and \$582.3 million of subordinated indebtedness ranking equally with the notes on a pro forma basis. The indenture governing the notes does not limit our ability or the ability of our subsidiaries to incur debt, including senior debt.

Your right to receive payments on the notes is effectively subordinated to all existing and future liabilities of our subsidiaries and to all of our existing and future secured debt.

None of our subsidiaries will guarantee our obligations under, or have any obligation to pay any amounts due on, the notes. As a result, the notes will be effectively subordinated to all liabilities of our subsidiaries, including trade payables. Our rights and the rights of our creditors, including holders of the notes, to participate in the assets of any of our subsidiaries upon their liquidation or recapitalization will generally be subject to the prior claims of those subsidiaries' creditors. As of June 30, 2007 on a pro forma basis, our subsidiaries, which would include IXEurope, would have had approximately \$599.1 million of indebtedness and other liabilities outstanding (excluding intercompany items).

In addition, the notes will not be secured by any of our assets or those of our subsidiaries. As a result, the notes will be effectively subordinated to any secured debt we may incur. In any liquidation, dissolution, bankruptcy or other similar proceeding, holders of our secured debt may assert rights against any assets securing such debt in order to receive full payment of their debt before those assets may be used to pay the holders of the notes. In such an event, we may not have sufficient assets remaining to pay amounts due on any or all of the notes. As of June 30, 2007 on a pro forma basis, we would have had approximately \$250.1 million of secured indebtedness outstanding, all of which would have been held by our subsidiaries, including IXEurope.

The indenture does not restrict our ability to incur additional debt, repurchase our securities or to take other actions that could negatively impact holders of the notes.

Neither the indenture nor the terms of the notes restrict us from incurring additional debt, including senior debt or secured debt. In addition, the limited covenants contained in the indenture do not require us to achieve or maintain any minimum financial ratios relating to our financial position or results of operations. Our ability to

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recapitalize, incur additional debt and take a number of other actions that are not limited by the indenture or the terms of the notes could have the effect of diminishing our ability to make payments on the notes when due, and require us to dedicate a substantial portion of our cash flow to fund our operations, working capital and capital expenditures. In addition, we are not restricted from repurchasing shares of our common stock or other securities by the terms of the notes.

There may not be an active trading market for the notes and their price may be volatile. Holders may be unable to sell their notes at the price desired or at all.

There is no existing trading market for the notes. As a result, there can be no assurance that a liquid market will develop or be maintained for the notes, that holders will be able to sell any of the notes at a particular time (if at all) or that the prices holders receive if or when they sell the notes will be above their initial offering price. If the notes are traded after their initial issuance, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the price and volatility in the price of our shares of common stock, our performance and other factors. We do not intend to list the notes on any national securities exchange.

The underwriters have advised us that they intend to make a market in the notes after this offering is completed, but they have no obligation to do so and may cease their market-making at any time without notice. In addition, market-making will be subject to the limits imposed by the Securities Act and the Exchange Act. The liquidity of the trading market in the notes, and the market price quoted for the notes, may be adversely affected by, among other things, changes in the overall market for debt securities, changes in our financial performance or prospects, the prospects for companies in our industry generally, the number of holders of the notes, the interest of securities dealers in making a market for the notes and prevailing interest rates.

Our stock price has been volatile historically and may continue to be volatile. The price of our common stock, and therefore the price of the notes, may fluctuate significantly, which may make it difficult for holders to resell the notes or any shares of our common stock issuable upon conversion of the notes when desired or at attractive prices.

The trading price of our common stock has been and may continue to be subject to wide fluctuations. Since the fiscal year ended December 31, 2005, the closing sale price of our common stock on the NASDAQ Global Select Market ranged from \$41.43 to \$96.99 per share, and the closing sale price on September 13, 2007 was \$81.91 per share. Our stock price may fluctuate in response to a number of events and factors, such as those set forth under **Risks Related to Our Business**. If the market price of our stock continues to be highly volatile, the value of an investment in our common stock may decline.

In the past, many companies have been the subject of securities class action litigation following periods of volatility in the market price of their stock. See **Risks Related to Our Business**. We are subject to securities class action and derivative litigation, which may harm our business and results of operations.

In addition, the stock market in general, and prices for companies in our industry in particular, have experienced extreme volatility that often has been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance. Because the notes may be converted into shares of our common stock, volatility or depressed prices of our common stock could have a similar effect on the trading price of our notes. Holders who receive our common stock upon conversion will also be subject to the risk of volatility and depressed prices of our common stock. In addition, the existence of the notes may encourage short selling in our common stock by market participants because the conversion of the notes could depress the price of our common stock.

Sales of a significant number of shares of our common stock in the public markets, or the perception of such sales, could depress the market price of the notes.

Sales of a substantial number of shares of our common stock or other equity-related securities in the public markets could depress the market price of the notes, our common stock, or both, and impair our ability to raise

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capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock or the value of the notes. The price of our common stock could be affected by possible sales of our common stock by investors who view the notes as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity which we expect to occur involving our common stock. This hedging or arbitrage could, in turn, affect the market price of the notes.

Holders of the notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to our common stock.

Holders of the notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights or rights to receive any dividends or other distributions on our common stock), but will be subject to all changes affecting our common stock. Holders will only be entitled to rights on our common stock if and when we deliver shares of our common stock upon conversion for their notes and, to a limited extent, under the conversion rate adjustments applicable to the notes. For example, in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to a holder's conversion of notes, the holder will not be entitled to vote on the amendment, although the holder will nevertheless be subject to any changes in the powers, preferences or rights of our common stock that result from such amendment.

The conversion rate of the notes may not be adjusted for all dilutive events.

The conversion rate of the notes is subject to adjustment for certain events including, but not limited to, the issuance of stock dividends on our common stock, subdivisions or combinations of our common stock, the issuance of certain rights or warrants, certain distributions of securities, indebtedness or assets, cash dividends and certain tender or exchange offers as described under Description of Notes Anti-dilution Adjustments Adjustment Events. However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of our common stock for cash, that may adversely affect the trading price of the notes or our common stock. An event may occur that adversely affects the value of the notes but does not result in an adjustment to the conversion rate.

The adjustment to the conversion rate for notes converted in connection with a specified corporate transaction may not adequately compensate holders for any lost value of their notes as a result of such transaction.

If a change of control occurs, under certain circumstances we will increase the conversion rate by a number of additional shares of our common stock for notes converted in connection with such change of control. The increase in the conversion rate will be determined based on the date on which the change of control becomes effective and the price paid per share of our common stock in such transaction, as described below under Description of Notes Adjustment to Conversion Rate upon a Change of Control. The adjustment to the conversion rate for notes converted in connection with a change of control may not adequately compensate holders for any lost value of their notes as a result of such transaction. In addition, if the price of our common stock in the transaction is greater than \$ per share or less than \$ per share (in each case, subject to adjustment), no adjustment will be made to the conversion rate. In no event will the conversion rate, as a result of a change of control, exceed per \$1,000 principal amount of notes, regardless of when the transaction becomes effective or the price paid per share of our common stock in the transaction, subject to adjustments in the same manner as the conversion rate as set forth under Description of Notes Anti-dilution Adjustments Adjustment Events.

Our obligation to increase the conversion rate in connection with any such change of control could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

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Conversion of the notes will dilute the ownership interests of existing stockholders.

Upon conversion of the notes and, to the extent we deliver shares of our common stock upon conversion of our 2.50% Convertible Subordinated Notes due 2012 or our 2.50% Convertible Subordinated Debentures due 2024, the ownership interests of existing stockholders will be diluted. Any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. Our ability to repurchase the notes or pay cash upon conversion may be limited by law or the terms of other agreements relating to our senior indebtedness. In addition, the existence of the notes may encourage short selling by market participants because the conversion of the notes could depress the price of our common stock.

We may not have the ability to repurchase the notes in cash upon the occurrence of a fundamental change as required by the indenture governing the notes.

Holders of the notes will have the right to require us to repurchase the notes upon the occurrence of a fundamental change as described under Description of Notes Repurchase at Option of the Holder upon a Fundamental Change. We may not have sufficient funds to repurchase the notes in cash at such time or have the ability to arrange necessary financing on acceptable terms. Our ability to repurchase the notes may be limited by law or the terms of other agreements relating to our senior indebtedness. The indentures governing our 2.50% Convertible Subordinated Notes due 2012 and our 2.50% Convertible Subordinated Debentures due 2024 have, and any future indebtedness may have, similar provisions requiring us to repurchase such indebtedness upon a fundamental change and, therefore, we may not have sufficient funds to repurchase the notes if we must use any available funds to repurchase such other indebtedness.

A fundamental change may also constitute an event of default or prepayment under, or result in the acceleration of the maturity of, our then-existing indebtedness. Our ability to repurchase the notes in cash or make any other required payments may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time. Our failure to repurchase the notes when required would result in an event of default with respect to the notes.

Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the notes.

Upon the occurrence of a fundamental change, holders will have the right to require us to repurchase the notes. However, the fundamental change provisions will not afford protection to holders of notes in the event of certain transactions. For example, any leveraged recapitalization, refinancing, restructuring or acquisition initiated by us will generally not constitute a fundamental change requiring us to repurchase the notes. In the event of any such transaction, holders of the notes will not have the right to require us to repurchase the notes, even though any of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of notes.

The notes may not be rated or may receive a lower rating than anticipated by investors.

We do not intend to seek a rating on the notes. However, if one or more rating agencies rates the notes and assigns the notes a rating lower than the rating expected by investors, or reduces their rating in the future, the market price of the notes and our common stock could be harmed.

The notes will initially be held in book-entry form and, therefore, holders must rely on the procedures and the relevant clearing systems to exercise their rights and remedies.

Unless and until certificated notes are issued in exchange for book-entry interests in the notes, owners of the book-entry interests will not be considered owners or holders of notes. Instead, DTC, or its nominee, will be the sole holder of the notes. Payments of principal, interest and other amounts owing on or in respect of the notes in

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global form will be made to the paying agent, which will make payments to DTC. Thereafter, such payments will be credited to DTC participants' accounts that hold book-entry interests in the notes in global form and credited by such participants to indirect participants. Unlike holders of the notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the notes. Instead, if holders own a book-entry interest, they will be permitted to act only to the extent they have received appropriate proxies to do so from DTC or, if applicable, a participant. We cannot assure holders that procedures implemented for the granting of such proxies will be sufficient to enable them to vote on any requested actions on a timely basis.

We may not be able to refinance the notes if required or if we so desire.

We may need or desire to refinance all or a portion of the notes or any other future indebtedness that we incur on or before the maturity of the notes. There can be no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms, if at all.

Holders may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the notes even though they do not receive a corresponding cash distribution.

The conversion rate of the notes is subject to adjustment in certain circumstances, including the payment of cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, you will be deemed to have received a taxable dividend to the extent of our earnings and profits that will be subject to U.S. federal income tax without the receipt of any cash. If you are a Non-U.S. Holder (as defined in Material U.S. Federal Tax Considerations), such deemed dividend may be subject to U.S. federal withholding tax (currently at a 30% rate, or such lower rate as may be specified by an applicable treaty), which may be set off against subsequent payments on the notes. See Dividend Policy and Material U.S. Federal Tax Considerations.

If a change of control occurs on or prior to the maturity date of the notes, under some circumstances, we will increase the conversion rate for notes converted in connection with the change of control. Such increase may be treated as a distribution subject to U.S. federal income tax as a dividend. See Material U.S. Federal Tax Considerations.

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USE OF PROCEEDS

We estimate that the proceeds from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately \$291.3 million. If the underwriters exercise in full their over-allotment option to acquire additional notes, we estimate that our net proceeds from this offering will be approximately \$335.1 million. We estimate that the net proceeds from our concurrent common stock offering will be approximately \$287.6 million or \$330.8 million if the underwriters exercise their over-allotment option in full, after deducting the underwriting discounts and commissions and estimated offering expenses. It is possible that, based on market conditions, we may increase or decrease the aggregate principal amount of the notes offered hereby and increase or decrease the number of shares offered in our concurrent common stock offering or complete one offering without the other. In any event, through this offering and our concurrent common stock offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

We expect to use the net proceeds from this offering, together with the net proceeds of our concurrent common stock offering, to fund the acquisition of IXEurope. The total amount of funds that we need to acquire IXEurope and to pay related fees and expenses is approximately \$548.4 million. We will allocate the amount of net proceeds to be used from each offering towards the acquisition at the time each offering is priced. Any net proceeds from this offering and our concurrent common stock offering that are not used for the acquisition are expected to be used for capital expenditures, acquisitions or general corporate purposes. Pending application of the proceeds as described above, we intend to invest the proceeds in short-term, interest-bearing investment grade securities.

Table of Contents**CAPITALIZATION**

The following table sets forth our cash, cash equivalents, short-term and long-term investments and current portion of our indebtedness and our capitalization as of June 30, 2007:

on an actual basis; and

on a pro forma basis to reflect (1) the IXEurope acquisition, (2) the sale of the notes offered hereby, after deducting underwriting discounts and estimated offering expenses, (3) the concurrent sale of our common stock, after deducting underwriting discounts and estimated offering expenses, (4) the termination of the unused senior bridge loan, (5) the completion of the San Jose property acquisition, (6) additional advances during July and August 2007 under the Chicago IBX financing and (7) the Asia-Pacific financing, all of which are more fully described in the Unaudited Pro Forma Combined Consolidated Condensed Financial Statements included elsewhere in this prospectus.

This table should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, the Unaudited Pro Forma Combined Consolidated Condensed Financial Statements and our financial statements, including all related notes, included or incorporated by reference in this prospectus.

	As of June 30, 2007	
	Actual	Pro Forma
	(dollars in thousands)	
Cash, cash equivalents and short-term and long-term investments	\$ 323,966	\$ 359,922
Current portion of capital lease and other financing obligations	\$ 2,197	\$ 3,340
Current portion of mortgage and loans payable	\$ 2,288	\$ 2,778
Long-term debt, net of current portion:		
Capital lease and other financing obligations	\$ 91,557	\$ 94,547
Mortgage and loans payable	164,841	247,307
2.50% convertible subordinated debentures due 2024 ⁽¹⁾	32,250	32,250
2.50% convertible subordinated notes due 2012 ⁽²⁾	250,000	250,000
% convertible subordinated notes due 2014 offered hereby ⁽³⁾		300,000
Total long-term debt	538,648	924,104
Stockholders' equity:		
Preferred stock, \$0.001 par value per share; 100,000,000 shares authorized actual and pro forma; no shares issued and outstanding actual and pro forma		
Common stock, \$0.001 par value per share; 300,000,000 shares authorized actual and pro forma; 31,751,248 shares issued and outstanding actual and 35,413,804 shares issued and outstanding pro forma ⁽⁴⁾	32	35
Additional paid-in capital	995,555	1,283,102
Accumulated other comprehensive income	3,770	3,770
Accumulated deficit	(556,683)	(559,547)
Total stockholders' equity	442,674	727,360
Total capitalization	\$ 981,322	\$ 1,651,464

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- (1) Our 2.50% convertible subordinated debentures due 2024 were convertible into 816,457 shares of common stock as of June 30, 2007.
- (2) Our 2.50% convertible subordinated notes due 2012 were convertible into 2,231,475 shares of common stock as of June 30, 2007.
- (3) The notes offered hereby are initially convertible into _____ shares of common stock.
- (4) Excludes 3,734,821 shares of common stock issuable upon the exercise of outstanding options and release of restricted stock and restricted stock units as of June 30, 2007, 9,490 shares of common stock issuable

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upon the exercise of outstanding common stock warrants as of June 30, 2007, 816,457 shares reserved for the conversion of our 2.50% convertible subordinated debentures due 2024 as of June 30, 2007, 2,231,475 shares reserved for the conversion of our 2.50% convertible subordinated notes due 2012 as of June 30, 2007 and shares that may be issued upon conversion of the notes offered hereby on a pro forma basis.

Our pro forma capitalization presented above reflects the sale of \$300.0 million aggregate principal amount of the notes offered hereby and a concurrent sale of \$300.0 million of our common stock, reflecting total gross proceeds to us of \$600.0 million from both offerings. It is possible that, based on market conditions, we may increase or decrease the aggregate principal amount of the notes offered hereby and increase or decrease the number of shares offered in our concurrent common stock offering or complete one offering without the other. In any event, through this offering and our concurrent common stock offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

Table of Contents**MARKET FOR OUR COMMON STOCK AND DIVIDENDS**

Our common stock is quoted on the NASDAQ Global Select Market under the symbol of EQIX. Our common stock began trading in August 2000. The following table sets forth on a per share basis the low and high closing prices of our common stock as reported by the NASDAQ Global Select Market since January 1, 2005.

	Low	High
Fiscal 2007:		
Third Fiscal Quarter (through September 13, 2007)	\$ 81.91	\$ 96.99
Second Fiscal Quarter	78.21	91.47
First Fiscal Quarter	75.38	90.00
Fiscal 2006:		
Fourth Fiscal Quarter	\$ 58.91	\$ 82.51
Third Fiscal Quarter	46.37	63.21
Second Fiscal Quarter	47.70	65.90
First Fiscal Quarter	41.43	64.22
Fiscal 2005:		
Fourth Fiscal Quarter	\$ 35.31	\$ 42.53
Third Fiscal Quarter	38.28	45.09
Second Fiscal Quarter	31.61	44.11
First Fiscal Quarter	40.67	46.27

The closing price of our common stock on the NASDAQ Global Select Market on September 13, 2007 was \$81.91 per share. As of August 31, 2007, we had 32,030,738 shares of our common stock issued and outstanding held by approximately 256 registered holders. We are offering an additional 3,662,556 shares (up to 4,211,939 additional shares if the underwriters' over-allotment option is exercised in full) of common stock in our concurrent common stock offering.

We have never declared or paid any cash dividends on our common stock and we do not anticipate paying cash dividends in the foreseeable future. We currently intend to retain our earnings, if any, for future growth. Future dividends on our common stock, if any, will be at the discretion of our board of directors and will depend on, among other things, our operations, capital requirements and surplus, general financial condition, contractual restrictions and such other factors as our board of directors may deem relevant. Our ability to pay cash dividends is limited under our line of credit with Silicon Valley Bank, such that, without the prior written consent of Silicon Valley Bank, the aggregate amount of any cash dividends may not exceed 25% of our assets.

During the six months ended June 30, 2007, we did not issue or sell any unregistered securities.

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma combined consolidated condensed financial statements have been prepared to give effect to the acquisition by Equinix, Inc. (Equinix or the Company) of IXEurope plc (IXEurope) using the purchase method of accounting and the related financings to fund this acquisition with the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined consolidated condensed financial statements, as well as certain significant transactions of the Company that have occurred subsequent to June 30, 2007 consisting of (i) additional advances under the Chicago IBX Financing, (ii) the completion of the San Jose Property Acquisition and (iii) the Asia-Pacific Financing. These pro forma statements were prepared as if the acquisition and related financings and other transactions described above had been completed as of January 1, 2006 for statements of operations purposes and as of June 30, 2007 for balance sheet purposes. The combined company will operate under the Equinix name with the current management teams in place in the U.S., Europe and Asia-Pacific.

The unaudited pro forma combined consolidated condensed financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations that would have actually been reported had the acquisition and related financings and other transactions described above occurred on January 1, 2006 for statements of operation purposes and as of June 30, 2007 for balance sheet purposes, nor is it necessarily indicative of the future financial position or results of operations of the combined company. The unaudited pro forma combined consolidated condensed financial statements include adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of IXEurope. The final allocation of the purchase price will be determined after the completion of the acquisition and will be based upon actual net tangible and intangible assets acquired as well as liabilities assumed. The preliminary purchase price allocation for IXEurope is subject to revision as more detailed analysis is completed and additional information on the fair values of IXEurope s assets and liabilities becomes available. Any change in the fair value of the net assets of IXEurope will change the amount of the purchase price allocable to goodwill. Additionally, changes in IXEurope s working capital, including the results of operations from June 30, 2007 through September 14, 2007, the date the transaction was completed, will change the amount of goodwill recorded. Final purchase accounting adjustments may differ materially from the pro forma adjustments presented here.

These unaudited pro forma combined condensed financial statements are based upon the respective historical consolidated financial statements of Equinix and IXEurope, adjusted to generally accepted accounting principles in the United States of America, and should be read in conjunction with the historical consolidated financial statements of Equinix and IXEurope and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations of Equinix and IXEurope incorporated in this document by reference.

Table of Contents**UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET**

AS OF JUNE 30, 2007

(In thousands)

	Historical		IXEurope Acquisition Related Adjustments (Note 9)	Pro Forma		
	Equinix	IXEurope (Note 2)		Combined	Other Adjustments (Note 10)	Combined
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 234,598	\$ 7,806	\$ 43,069 ^(a)	\$ 285,473	\$ (14,919) ^(p)	\$ 270,554
Short-term investments	67,728			67,728		67,728
Accounts receivable, net	28,140	12,016		40,156		40,156
Prepaid expenses and other current assets	9,599	5,364		14,963		14,963
Total current assets	340,065	25,186	43,069	408,320	(14,919)	393,401
Long-term investments	21,640			21,640		21,640
Property and equipment, net	760,175	90,755	44,161 ^(b)	895,091	63,708 ^(q)	958,799
Goodwill	16,914	6,513	399,720 ^(c)	423,147		423,147
Intangible assets, net	385	408	62,642 ^(d)	63,435		63,435
Debt issuance costs, net	14,603	4,912	924 ^(e)	20,439	614 ^(r)	21,053
Other assets	21,669	12,085		33,754	(6,500) ^(s)	27,254
Total assets	\$ 1,175,451	\$ 139,859	\$ 550,516	\$ 1,865,826	\$ 42,903	\$ 1,908,729
LIABILITIES AND STOCKHOLDERS EQUITY						
Current liabilities:						
Accounts payable and accrued expenses	\$ 35,425	\$ 20,614	\$ 17,516 ^(f)	\$ 73,555	\$ 614 ^(t)	\$ 74,169
Accrued property and equipment	71,216	9,432		80,648		80,648
Current portion of accrued restructuring charges	13,687			13,687		13,687
Current portion of capital lease and other financing obligations	2,197	1,143		3,340		3,340
Current portion of mortgage and loan payable	2,288	490		2,778		2,778
Other current liabilities	11,903	9,754	(562) ^(g)	21,095		21,095
Total current liabilities	136,716	41,433	16,954	195,103	614	195,717
Accrued restructuring charges, less current portion	22,729			22,729		22,729
Capital lease and other financing obligations, less current portion	91,557	2,990		94,547		94,547
Mortgage and loan payable, less current portion	164,841	38,653		203,494	43,813 ^(u)	247,307
Convertible debt	282,250		300,000 ^(h)	582,250		582,250
Deferred rent and other liabilities	34,684	7,846	(2,187) ⁽ⁱ⁾	40,343	(1,524) ^(v)	38,819
Total liabilities	732,777	90,922	314,767	1,138,466	42,903	1,181,369
Stockholders' equity:						
Total stockholders' equity	442,674	48,937	235,749 ^(j)	727,360		727,360
Total liabilities and stockholders' equity	\$ 1,175,451	\$ 139,859	\$ 550,516	\$ 1,865,826	\$ 42,903	\$ 1,908,729

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The accompanying notes are an integral part of these unaudited pro forma combined condensed
financial statements.

Table of Contents**UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS****FOR THE YEAR ENDED DECEMBER 31, 2006****(In thousands, except per share data)**

	Historical		IXEurope Acquisition Related Adjustments (Note 9)	Pro Forma		Combined
	Equinix	IXEurope (Note 3)		Combined	Other Adjustments (Note 10)	
Revenues	\$ 286,915	\$ 65,115	\$	\$ 352,030	\$	\$ 352,030
Costs and operating expenses:						
Cost of revenues	188,379	49,095	3,876 ^(k)	241,350	1,791 ^(w)	243,141
Selling, general and administrative	104,742	21,348	5,461 ^(l)	131,551		131,551
Restructuring charges	1,527			1,527		1,527
Gain on Honolulu IBX sale	(9,647)			(9,647)		(9,647)
Total costs and operating expenses	285,001	70,443	9,337	364,781	1,791	366,572
Income (loss) from operations	1,914	(5,328)	(9,337)	(12,751)	(1,791)	(14,542)
Interest income	6,627	405		7,032		7,032
Interest expense	(14,875)	(3,063)	(8,743) ^(m)	(26,681)	(9,131) ^(x)	(35,812)
Loss on extinguishment of debt			(2,864) ⁽ⁿ⁾	(2,864)		(2,864)
Income taxes	(439)	1,446		1,007		1,007
Cumulative effect of a change in accounting principle	376			376		376
Net loss	\$ (6,397)	\$ (6,540)	\$ (20,944)	\$ (33,881)	\$ (10,922)	\$ (44,803)
Net loss per share basic and diluted	\$ (0.22)			\$ (1.05)		\$ (1.39)
Shares used in per share calculation basic and diluted	28,551		3,663 ^(o)	32,214		32,214

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

Table of Contents**UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS****FOR THE SIX MONTHS ENDED JUNE 30, 2007****(In thousands, except per share data)**

	Historical		IXEurope Acquisition Related Adjustments (Note 9)	Pro Forma		Combined
	Equinix	IXEurope (Note 3)		Combined	Other Adjustments (Note 10)	
Revenues	\$ 176,946	\$ 49,465	\$	\$ 226,411	\$	\$ 226,411
Costs and operating expenses:						
Cost of revenues	108,374	35,078	2,078 ^(k)	145,530	874 ^(w)	146,404
Selling, general and administrative	64,912	12,345	2,928 ^(l)	80,185		80,185
Restructuring charges	407			407		407
Total costs and operating expenses	173,693	47,423	5,006	226,122	874	226,996
Income (loss) from operations	3,253	2,042	(5,006)	289	(874)	(585)
Interest income	7,031	537		7,568		7,568
Interest expense	(9,577)	(1,503)	(4,371) ^(m)	(15,451)	(2,852) ^(x)	(18,303)
Loss on conversion of debt	(3,395)			(3,395)		(3,395)
Income taxes	(551)	(415)		(966)		(966)
Net income (loss)	\$ (3,239)	\$ 661	\$ (9,377)	\$ (11,955)	\$ (3,726)	\$ (15,681)
Net loss per share basic and diluted	\$ (0.11)			\$ (0.35)		\$ (0.46)
Shares used in per share calculation basic and diluted	30,424		3,663 ^(o)	34,087		34,087

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**

The unaudited pro forma combined consolidated condensed financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission.

1. BASIS OF PRO FORMA PRESENTATION

In June 2007, a wholly-owned subsidiary of the Company announced an offer to purchase all of the entire issued and to be issued share capital of IXEurope (the IXEurope Acquisition). Under the final terms of the IXEurope Acquisition, IXEurope shareholders will receive 140 British pence in cash for each IXEurope share valuing the share capital of IXEurope on a fully diluted basis at approximately 270,100,000 British pounds or approximately \$540,632,000 (as translated using effective exchange rates at June 30, 2007); however, fully-diluted shares of IXEurope held by IXEurope's two top officers representing 1,974,000 British pounds of the total purchase price will not be paid in cash upon closing. Instead, equity awards of the Company's Stock with a fair value of 1,974,000 British pounds or approximately \$3,951,000 (as translated using effective exchange rates at June 30, 2007) will be issued to the two top officers of IXEurope and are subject to vesting based on continuous employment through the end of 2008, as well as certain performance criteria of IXEurope (the IXEurope Equity Compensation). The IXEurope Equity Compensation will not be accounted for as part of the purchase price of IXEurope. Rather, the IXEurope Equity Compensation will be expensed into operations of the combined company post-acquisition as stock-based compensation over the vesting life of such awards. As a result, the actual cash purchase price for the IXEurope Acquisition is 268,126,000 British pounds or approximately \$536,681,000 (also as translated using effective exchange rates at June 30, 2007). IXEurope operates data centers in the United Kingdom, France, Germany and Switzerland. The combined company will operate under the Equinix name with the current management teams in place in the U.S., Europe and Asia-Pacific. The IXEurope Acquisition will be accounted for using the purchase method of accounting in accordance with Statement of Financial Accounting Standard No. 141, Business Combinations (SFAS 141).

Although the IXEurope Acquisition closed on the morning of September 14, 2007, the Company does not have to pay the consideration for the IXEurope Acquisition until September 28, 2007. In addition, the Company will not have completed its preliminary accounting for the IXEurope Acquisition until it reports its 2007 third quarter results in the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2007.

In order to provide cash to fund the IXEurope Acquisition, the Company entered into the Senior Bridge Loan for a principal amount of \$500,000,000 in June 2007. However, the Company does not intend to use the Senior Bridge Loan to pay for the IXEurope Acquisition. Instead, the Company intends to pay for the IXEurope Acquisition with the proceeds from a combination of (i) the proposed sale of 3,662,556 shares of the Company's common stock at an assumed offering price of \$81.91 per share (the Common Stock Offering) and (ii) the proposed sale of the Company's Convertible Subordinated Notes due 2014 (the Convertible Debt Offering) (collectively, the New Public Offerings). For purposes of the pro forma results contained herein, the Company has assumed that the Senior Bridge Loan will be terminated unused (the Senior Bridge Loan and New Public Offerings are collectively referred to herein as the IXEurope Acquisition Financings). Concurrently with this offering, the Company is offering 3,662,556 shares of its common stock (up to 4,211,939 shares if the underwriters exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. It is possible that, based on market conditions, the Company may increase or decrease the aggregate principal amount of the notes offered hereby and increase or decrease the number of shares offered in its concurrent common stock offering or do one offering without the other. In any event, through this offering and the Company's concurrent common stock offering the Company intends to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent the Company enters into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

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NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED

FINANCIAL STATEMENTS (continued)

In addition to the IXEurope Acquisition and IXEurope Acquisition Financings, the pro forma results contained herein also reflect the following significant transactions of the Company that have occurred subsequent to June 30, 2007 consisting of (i) additional advances under the Chicago IBX Financing, (ii) the completion of the San Jose Property Acquisition and (iii) the Asia-Pacific Financing as more fully discussed below (collectively, the Other Significant Subsequent Events).

The unaudited pro forma combined consolidated condensed balance sheet as of June 30, 2007, was prepared by combining the historical unaudited consolidated condensed balance sheet data as of June 30, 2007 for Equinix and IXEurope, as adjusted to comply with generally accepted accounting principles in the United States or U.S. GAAP, as if the IXEurope Acquisition, IXEurope Acquisition Financings and Other Significant Subsequent Events had been consummated on that date. In addition to certain U.S. GAAP adjustments, certain balance sheet reclassifications have also been reflected in order to conform IXEurope's balance sheet with the company's balance sheet presentation. Refer to Note 2 for a discussion of these U.S. GAAP and reclassification adjustments.

The unaudited pro forma combined consolidated condensed statement of operations for the year ended December 31, 2006 and for the six months ended June 30, 2007 combines the results of operations of Equinix and IXEurope, as adjusted to comply with U.S. GAAP, as if the IXEurope Acquisition, IXEurope Acquisition Financings and Other Significant Subsequent Events had been consummated on January 1, 2006. In addition to certain U.S. GAAP adjustments, certain statements of operations reclassifications have also been reflected in order to conform with the Company's statements of operations presentation. Refer to Note 3 for a discussion of these U.S. GAAP and reclassification adjustments.

In July and August 2007, the Company entered into forward contracts to purchase 265,156,000 British pounds at an average forward rate of 2.020007, or the equivalent of \$541,617,000, to be delivered in September 2007, for purposes of hedging a portion of the purchase price of the IXEurope Acquisition (the IXEurope Acquisition Foreign Exchange Hedge). The Company will be accounting for these forward contracts under the Company's current accounting policies for hedging activities as disclosed in the Company's last annual report on Form 10-K, which are based on the provisions of SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended. The effects of the IXEurope Acquisition Foreign Exchange Hedge have not been reflected in the pro forma statements of operations as the hedge is directly attributable to the acquisition and is non-recurring. Upon closing and completing its accounting for the IXEurope Acquisition, the Company will record a foreign exchange gain or loss in its statement of operations based on the prevailing exchange rate between U.S. dollars and British pounds on such date. For example, if on the closing date the exchange rate increases 5%, the Company will record a foreign exchange gain of \$26.8 million; however, if the exchange rate decreases 5%, the Company will record a foreign exchange loss of \$26.8 million.

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)****2. IXEUROPE BALANCE SHEET**

IXEurope's consolidated financial statements were prepared in accordance with international financial reporting standards or IFRS, which differ in certain material respects from U.S. GAAP. IXEurope also classified certain amounts differently than Equinix in their consolidated balance sheet. The following schedule summarizes the necessary material adjustments to conform the IXEurope consolidated balance sheet as of June 30, 2007 to U.S. GAAP and to reclassify certain amounts to Equinix's basis of presentation (in thousands):

	Local GAAP IXEurope	Local Currency GBP Adjustments	U.S. GAAP IXEurope	USD U.S. GAAP IXEurope
ASSETS				
Current assets:				
Cash and cash equivalents	£ 5,976	£ (2,076) ⁽ⁱ⁾	£ 3,900	\$ 7,806
Accounts receivable, net	8,683	(2,680) ⁽ⁱⁱ⁾	6,003	12,016
Prepaid expenses and other current assets		2,680 ⁽ⁱⁱ⁾	2,680	5,364
Total current assets	14,659	(2,076)	12,583	25,186
Property and equipment, net	43,141	2,200 ⁽ⁱⁱⁱ⁾	45,341	90,755
Goodwill		3,254 ^(iv)	3,254	6,513
Intangible assets, net	3,726	(3,522) ^(iv)	204	408
Debt issuance costs, net		2,454 ^(v)	2,454	4,912
Deferred tax asset	626	(626) ^(vi)		
Other assets	3,336	2,702 ^(vii)	6,038	12,085
Total assets	£ 65,488	£ 4,386	£ 69,874	\$ 139,859
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	£ 18,603	£ (8,304) ^(viii)	£ 10,299	\$ 20,614
Accrued property and equipment		4,712 ^(ix)	4,712	9,432
Current portion of capital lease and other financing obligations		571 ^(x)	571	1,143
Current portion of mortgage and loan payable	816	(571) ^(x)	245	490
Other current liabilities	57	4,816 ^(xi)	4,873	9,754
Total current liabilities	19,476	1,224	20,700	41,433
Capital lease and other financing obligations, less current portion		1,494 ^(xii)	1,494	2,990
Mortgage and loan payable, less current portion	18,351	960 ^(xiii)	19,311	38,653
Provisions	36	(36) ^(xiv)		
Deferred rent and other liabilities	1,595	2,325 ^(xv)	3,920	7,846
Total liabilities	39,458	5,967	45,425	90,922
Stockholders' equity:				
Total stockholders' equity	26,030	(1,581) ^(xvi)	24,449	48,937
Total liabilities and stockholders' equity	£ 65,488	£ 4,386	£ 69,874	\$ 139,859

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)**

IXEurope's balance sheet has been translated into U.S. dollars at the June 30, 2007 exchange rate of GBP £1.00. = USD \$2.0016

The adjustments presented above to IXEurope's balance sheet are as follows:

- (i) Reflects a U.S. GAAP reclassification of restricted cash totaling £2,076,000 to other assets.
- (ii) Reflects a reclassification adjustment to segregate prepaid expenses and other current assets totaling £2,680,000 from accounts receivables, which IXEurope refers to as trade receivables.
- (iii) Reflects the following U.S. GAAP adjustments (in thousands):

Installation costs	£ 2,976
Business combinations	(776)
	£ 2,200

Under IFRS, installation costs related to installation fees charged to customers are expensed as incurred. Under U.S. GAAP, installation costs are deferred and amortized over the same period as the related installation fee revenue. The adjustment totaling £2,976,000 reflects the deferral of such installation costs.

Under IFRS, negative goodwill arising from a business combination is recognized directly in the statement of operations. Under U.S. GAAP, negative goodwill is allocated against the carrying value of the assets acquired, which in IXEurope's case, was predominantly property and equipment. The adjustment totaling £776,000 reflects the net impact of the allocation of negative goodwill to property and equipment.

- (iv) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

Total goodwill and net intangible assets under IFRS	£ (3,726)
Intangible asset reclassification adjustment	204
	£ (3,522)

The above reflects a reclassification separating net intangible assets from goodwill in order to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation.

Reclassification adjustment per above	£ 3,522
Business combinations U.S. GAAP adjustment	(268)

Prior to adopting IFRS in 2005, IXEurope's consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United Kingdom or U.K. GAAP. Under IFRS, IXEurope accounts for all business combinations by applying the acquisition method. In respect of business combinations that have occurred since January 1, 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. IXEurope elected not to apply IFRS 3, Business Combinations, to business combinations that were recognized on or before January 1, 2004. As a result, the carrying value of purchased goodwill recognized under U.K. GAAP was treated as a deemed cost upon the transition to IFRS. Under U.K. GAAP, goodwill arising from acquisitions was capitalized and amortized over the period of its expected useful life of ten years. Goodwill is no longer amortized since the transition to IFRS but is

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)**

tested annually for impairment. Under U.S. GAAP, goodwill ceased to be an amortizable asset effective January 1, 2002. Therefore, there is a difference between U.S. GAAP and U.K. GAAP in accounting for the amortization of goodwill prior to IXEurope's adoption of IFRS, resulting in higher carrying values for goodwill under U.S. GAAP compared to IFRS. This increase in goodwill is offset by another IFRS to U.S. GAAP adjustment relating to the benefit of pre-acquisition tax losses carry-forward positions that are recognized subsequently and adjusted against the historically recognized goodwill, then intangible assets and finally reduce income tax expenses. The above adjustment totaling £268,000 represents the net adjustment to goodwill under U.S. GAAP.

- (v) Reflects a U.S. GAAP reclassification of debt issuance costs totaling £2,454,000, which are netted against the associated debt under IFRS.
- (vi) Reflects a reclassification adjustment to conform IXEurope's balance sheet presentation to Equinix's balance sheet adjustment by presenting deferred tax assets totaling £626,000 with other assets.
- (vii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

U.S. GAAP restricted cash reclassification adjustment	£ 2,076
Deferred tax asset reclassification adjustment	626
	£ 2,702

The U.S. GAAP restricted cash and deferred tax asset reclassification adjustments are described above.

- (viii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

Accrued property and equipment reclassification adjustment	£ (4,712)
Other liabilities reclassification adjustment	(2,873)
Stock options U.S. GAAP adjustment	(719)
	£ (8,304)

The accrued property and equipment reclassification adjustment is made to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation by presenting this liability separately.

The other liabilities reclassification adjustment is made to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation by presenting these liabilities within other current and non-current liabilities.

The stock options U.S. GAAP adjustment reverses a liability accrued under IFRS as a liability for payroll taxes which is not recognized under U.S. GAAP until it is crystallized, which is typically when the stock option is exercised.

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- (ix) Reflects the accrued property and equipment reclassification adjustment totaling £4,712,000 described above.
- (x) Reflects a reclassification adjustment totaling £571,000 in order to segregate the current portion of capital lease obligations separately from other debt in order to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation.
- (xi) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

Other liabilities reclassification adjustment	£ 4,254
Installation revenue U.S. GAAP adjustment	562
	£ 4,816

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)**

The other liabilities reclassification adjustment is made to conform IXXEurope's balance sheet presentation to Equinix's balance sheet presentation by presenting these various other liabilities (noted in notes viii and xv) within other current liabilities.

Under IFRS, installation revenue related to installation fees is recognized upon completion of the installation and acceptance by the customer. Under U.S. GAAP, installation revenue is deferred and amortized into revenue over the longer of the contract period or the estimated customer life. The installation revenue U.S. GAAP adjustment totaling £562,000 represents the current portion of this deferred installation revenue.

(xii) Reflects a reclassification adjustment totaling £1,494,000 in order to segregate the non-current portion of capital lease obligations separately from other debt in order to conform IXXEurope's balance sheet presentation to Equinix's balance sheet presentation.

(xiii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

U.S. GAAP debt issuance cost reclassification adjustment	£ 2,454
Capital lease obligation reclassification adjustment	(1,494)
	£ 960

The U.S. GAAP debt issuance cost and capital lease obligation reclassification adjustments are described above.

(xiv) Represents a reclassification adjustment totaling £36,000 made to conform IXXEurope's balance sheet presentation to Equinix's balance sheet presentation by presenting these provisions within other liabilities.

(xv) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

Installation revenue U.S. GAAP adjustment	£ 3,670
Provisions reclassification adjustment	36
Other liabilities reclassification adjustment	(1,381)
	£ 2,325

The installation revenue U.S. GAAP adjustment totaling £3,670,000 represents the non-current portion of this deferred installation revenue adjustment described above.

The provisions and other liabilities reclassification adjustments are described above.

(xvi) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

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Stock options U.S. GAAP adjustment	£ 719
Business combination U.S. GAAP adjustment	(761)
Installation revenue and cost U.S. GAAP adjustment	(845)
Valuation allowance for deferred tax on U.S. GAAP adjustments	(694)
	£ (1,581)

The stock options, business combination and installation revenue and cost U.S. GAAP adjustments are described above. These amounts represent the net impact of such adjustments to stockholders' equity.

The valuation allowance for deferred tax on U.S. GAAP adjustments represents the cumulative impact of the various U.S. GAAP adjustments.

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)****3. IXEUROPE STATEMENTS OF OPERATION**

IXEurope's consolidated financial statements were prepared in accordance with IFRS, which differ in certain material respects from U.S. GAAP. IXEurope also classified certain amounts differently than Equinix in their consolidated statements of operations. The following schedule summarizes the necessary material adjustments to conform the IXEurope consolidated statements of operations for the year ended December 31, 2006 and the six months ended June 30, 2007 to U.S. GAAP and to reclassify certain amounts to Equinix's basis of presentation (in thousands):

	Local GAAP IXEurope	Local Currency GBP Adjustments	U.S. GAAP IXEurope	USD U.S. GAAP IXEurope
STATEMENT OF OPERATIONS FOR THE YEAR ENDING DECEMBER 31, 2006				
Revenues	£ 37,335	£ (1,981) ⁽ⁱ⁾	£ 35,354	\$ 65,115
Costs and operating expenses:				
Cost of revenues	22,537	4,119 ⁽ⁱⁱ⁾	26,656	49,095
Selling, general and administrative	9,869	1,722 ⁽ⁱⁱⁱ⁾	11,591	21,348
IPO related expenses	1,179	(1,179) ^(iv)		
Share option charges	510	(510) ^(iv)		
Depreciation and amortization	5,764	(5,764) ^(v)		
Total costs and operating expenses	39,859	(1,612)	38,247	70,443
Loss from operations	(2,524)	(369)	(2,893)	(5,328)
Interest income	138	82 ^(vi)	220	405
Interest expense	(1,863)	200 ^(vii)	(1,663)	(3,063)
Income taxes	809	(24) ^(viii)	785	1,446
Net loss	£ (3,440)	£ (111)	£ (3,551)	\$ (6,540)
STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDING JUNE 30, 2007				
Revenues	£ 25,816	£ (773) ⁽ⁱ⁾	£ 25,043	\$ 49,465
Costs and operating expenses:				
Cost of revenues	14,498	3,261 ⁽ⁱⁱ⁾	17,759	35,078
Selling, general and administrative	5,866	384 ⁽ⁱⁱⁱ⁾	6,250	12,345
Share option charges	1,084	(1,084) ^(iv)		
Depreciation and amortization	3,872	(3,872) ^(v)		
Total costs and operating expenses	25,320	(1,311)	24,009	47,423
Income from operations	496	538	1,034	2,042
Interest income	151	121 ^(vi)	272	537
Interest expense	(761)		(761)	(1,503)
Income taxes	(210)		(210)	(415)

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Net (loss) income	£ (324)	£ 659	£ 335	\$ 661
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IXEurope's statement of operations for the year ended December 31, 2006 has been translated into U.S. dollars at a rate of GBP £1.00 = USD \$1.8418, the average exchange rate for the year ended December 31, 2006.

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)**

IXEurope's statement of operations for the six months ended June 30, 2007 has been translated into U.S. dollars at a rate of GBP £1.00 = USD \$1.9752, the average exchange rate for the six months ended June 30, 2007.

The adjustments presented above to IXEurope's statements of operations are as follows:

- (i) Under IFRS, installation revenue related to installation fees is recognized upon completion of the installation and acceptance by the customer. Under U.S. GAAP, installation revenue is deferred and amortized into revenue over the longer of the contract period or the estimated customer life. These adjustments totaling £1,981,000 for the year ended December 31, 2006 and £773,000 for the six months ended June 30, 2007 represent the impact of deferring this installation revenue.
- (ii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

	Year ended December 31, 2006	Six months ended June 30, 2007
Depreciation and amortization reclassification adjustment	£ 5,638	£ 3,761
Installation cost U.S. GAAP adjustment	(1,519)	(500)
	£ 4,119	£ 3,261

Reflects a reclassification of a portion of depreciation and amortization expense to cost of revenues as noted below.

Under IFRS, installation costs related to installation fees charged to customers are expensed as incurred. Under U.S. GAAP, installation costs are capitalized and amortized over the same period as the related installation fee revenue. The installation cost U.S. GAAP adjustments noted above reflects the capitalization of such installation costs.

- (iii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

	Year ended December 31, 2006	Six months ended June 30, 2007
Share option charge reclassification adjustment	£ 510	£ 1,084
Stock options U.S. GAAP adjustment		(719)
IPO related expenses reclassification adjustment	1,179	
Depreciation and amortization reclassification adjustment	33	19
	£ 1,722	£ 384

Reflects a reclassification of share option charges to selling, general and administrative expenses.

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The stock options U.S. GAAP adjustment totaling £719,000 for the six months ended June 30, 2007 is described above in Note 2.

Reflects a reclassification of IPO related expenses totaling £1,179,000 for the year ended December 31, 2006 to selling, general and administrative expenses.

Reflects a reclassification of a portion of depreciation and amortization expense to selling, general and administrative expenses as noted below.

(iv) Reflects the reclassifications to selling, general and administrative expenses as described above.

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)**

(v) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

	Year ended December 31, 2006	Six months ended June 30, 2007
Depreciation and amortization per IFRS	£ 5,764	£ 3,872
Business combinations U.S. GAAP adjustment	(93)	(92)
Total depreciation and amortization under U.S. GAAP	£ 5,671	£ 3,780
Cost of revenues	£ 5,638	£ 3,761
Selling, general and administrative	33	19
Total depreciation and amortization under U.S. GAAP	£ 5,671	£ 3,780

Under IFRS, negative goodwill arising from a business combination is recognized directly in the statement of operations. Under U.S. GAAP, negative goodwill is allocated against the carrying value of the long-lived assets acquired, which in IXEurope's case, was property and equipment. The business combinations U.S. GAAP adjustments above reflect the depreciation impact of the allocation of this negative goodwill to property and equipment for both periods presented.

- (vi) Under IFRS, gains and losses arising from changes in the fair value of a derivative are recognized as they arise in profit or loss unless the derivative is the hedging instrument in a qualifying hedge. IXEurope entered into one hedge relationship using interest rate swaps to hedge the variability in cash flows on variable rate debt (cash flow hedges). U.S. GAAP principles are similar to IFRS. There are, however, differences in their detailed application. In particular, U.S. GAAP requires effectiveness testing to be performed at least quarterly. As a result, the IXEurope has not designated any hedge relationships for U.S. GAAP purposes. Therefore, all changes in fair value of the interest rate swaps are recognized in the statements of operation. As a result, these adjustments reflect the changes in fair value of such interest rate swaps, which is an increase to interest income for both periods presented.
- (vii) Under IFRS, a shareholder loan and some convertible deep discount bonds that IXEurope had outstanding during the first half of 2006 were recorded at fair value on January 1, 2005, being the transition date for International Accounting Standard or, IAS 32, Financial Instruments: Presentation and IAS 39, Financial Instruments: Recognition and Measurement. The fair value at that date was then allocated between the liability and equity components. Subsequently the debt component is accounted for as a financial liability measured at amortized cost and the amount credited directly to equity is not subsequently remeasured. Under U.S. GAAP, the conversion features are not separated from the shareholder loan and convertible deep discount bonds. Under U.S. GAAP since the shareholder loan is non-interest bearing, the difference between the proceeds received and the present value of the repayments due has been recorded as a capital contribution. The adjustment totaling £200,000 for the year ended December 31, 2006 represents a corresponding adjustment to interest expense under U.S. GAAP related to this shareholder loan and convertible deep discount bonds, which were converted into equity during the first half of 2006.

(viii) Represents the income tax effects of the various U.S. GAAP adjustments.

4. PURCHASE PRICE IXEUROPE

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The following represents the preliminary allocation of the purchase price over the historical net book values of the acquired assets and assumed liabilities of IXEurope as of June 30, 2007, and is for illustrative purposes only. Actual fair values will be based on financial information as of the acquisition date.

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)**

The unaudited pro forma combined consolidated condensed financial statements reflect an estimated purchase price of approximately \$543,669,000, consisting of (a) 268,126,000 British pounds or approximately \$536,681,000 (as translated using effective exchange rates at June 30, 2007), which is payable in cash and (b) estimated direct transaction costs of \$6,988,000. The final purchase price is dependent on the exchange rates in effect at closing and actual direct acquisition costs. The final purchase price will be determined upon completion of the IXEurope Acquisition.

Under the purchase method of accounting, the total estimated purchase price is allocated to IXEurope's net tangible and intangible assets based upon their estimated fair value as of the date of completion of the merger. Based upon the estimated purchase price and the preliminary valuation, the preliminary purchase price allocation, which is subject to change based on Equinix's final analysis, is as follows (in thousands):

Cash and cash equivalents	\$ 7,806
Accounts receivable	12,016
Other current assets	5,364
Property and equipment	134,916
Goodwill	406,233
Intangible asset - customer contracts	63,050
Other assets	12,085
Total assets acquired	641,470
Accounts payable and accrued expenses	(20,614)
Accrued property and equipment	(9,432)
Current portion of capital leases	(1,143)
Current portion of loan payable	(490)
Other current liabilities	(9,192)
Capital leases, less current portion	(2,990)
Loan payable	(38,653)
Unfavorable leases	(1,483)
Other liabilities	(4,176)
Estimated IXEurope transaction costs	(9,628)
Net assets acquired	\$ 543,669

A preliminary estimate of \$63,050,000 has been allocated to customer contracts, an intangible asset with an estimated useful life of eleven years. A preliminary estimate of \$1,483,000 has been allocated to unfavorable lease liability with an estimated life of 7.5 years.

A preliminary estimate of \$406,233,000 has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," goodwill will not be amortized and will be tested for impairment at least annually. The preliminary purchase price allocation for IXEurope is subject to revision as more detailed analysis is completed and additional information on the fair values of IXEurope's assets and liabilities becomes available. Any changes in the fair value of the net assets of IXEurope will change the amount of the purchase price allocable to goodwill. Additionally, changes in IXEurope's working capital, including the results of operations from June 30, 2007 through the date the transaction is completed, will also change the amount of goodwill recorded. Final purchase accounting adjustments may therefore differ materially from the pro forma adjustments presented here.

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NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED

FINANCIAL STATEMENTS (continued)

There were no historical transactions between Equinix and IXEurope. Certain reclassifications have been made to conform IXEurope's historical amounts to Equinix's financial statement presentation.

The pro forma adjustments do not reflect any integration adjustments to be incurred in connection with the acquisition or operating efficiencies and cost savings that may be achieved with respect to the combined entity as these costs are not directly attributable to the purchase agreement.

5. IXEUROPE ACQUISITION FINANCINGS

The unaudited pro forma combined consolidated condensed financial statements reflect the Senior Bridge Loan being terminated unused as described above.

As of June 30, 2007, the Company had incurred \$2,864,000 of debt issuance costs in securing the Senior Bridge Loan. Upon termination of the Senior Bridge Loan, the Company will, therefore, record a loss on extinguishment of debt totaling \$2,864,000 reflecting the immediate write-off of all such debt issuance costs.

The Common Stock Offering reflects the proposed sale of 3,622,556 shares of the Company's common stock at an assumed offering price of \$81.91 per share, resulting in anticipated net proceeds to the Company of \$287,550,000 after deducting underwriting discounts and commissions and estimated offering expenses. For purposes of these pro forma financials, the Company has assumed an estimated offering price of \$81.91, which was the closing price of the Company's common stock on September 13, 2007.

The Convertible Debt Offering reflects the proposed sale of the Company's Convertible Subordinated Notes due 2014, resulting in anticipated net proceeds to the Company of \$291,300,000 after deducting underwriting discounts and commissions and estimated offering expenses. The total assumed debt issuance costs of \$8,700,000 will be amortized to interest expense over the seven-year term of the Convertible Subordinated Notes due 2014. For purposes of these pro forma financials, the Company has assumed an interest rate of 2.50% per annum, which was the interest rate of the Company's prior convertible debt offering in March 2007. The actual interest rate of the notes will be determined at the time of the offering of the notes and may differ.

It is possible that, based on market conditions, the Company may increase or decrease the aggregate principal amount of the notes offered in the Convertible Debt Offering and increase or decrease the number of shares offered in its Common Stock Offering or complete one offering without the other. In any event, through both offerings the Company intends to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent the Company enters into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

6. CHICAGO IBX FINANCING

In July and August 2007, the Company received additional advances under the Chicago IBX Financing totaling \$19,063,000, bringing the cumulative Loan Payable to date to \$88,326,000 with a blended interest rate of 8.125% per annum. As a result, the remaining amount available to borrow from the Chicago IBX Financing totals \$21,674,000. The unaudited pro forma combined consolidated condensed statements of operations reflect the total Loan Payable under the Chicago IBX Financing totaling \$88,326,000 as if it had been outstanding on January 1, 2006.

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NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED

FINANCIAL STATEMENTS (continued)

7. SAN JOSE PROPERTY ACQUISITION

In July 2007, the Company closed on the San Jose Property Acquisition and, as a result, took title to the property and paid the remaining amount due of \$58,732,000, including closing costs, in cash following the \$6,500,000 cash deposit paid in January 2007. In conjunction with the purchase of this property, which it formerly leased, the Company wrote-off the associated deferred rent and asset retirement obligation totaling \$1,386,000 and \$138,000, respectively, and as a result recorded property and equipment totaling \$63,708,000. The Company assessed the building, site improvements and land elements of the San Jose Property Acquisition and then assigned the relative fair value to each element. The unaudited pro forma combined consolidated condensed statements of operations reflect the San Jose Property Acquisition as if it had been purchased on January 1, 2006 and reflects increased depreciation and property tax expense, offset partially by the rent expense savings.

8. ASIA-PACIFIC FINANCING

In August 2007, two wholly-owned subsidiaries of the Company, located in Singapore and Tokyo, Japan, entered into an approximately \$40,000,000 multi-currency credit facility agreement or the Asia-Pacific Financing. The Asia-Pacific Financing has a four-year term that allows these two subsidiaries to borrow up to 23,250,000 Singapore dollars and 2,932,500 Japanese yen, respectively, during the first 12-month period with repayment to occur over the remaining three years in twelve equal quarterly installments. The combined total amount available for borrowing under the two currencies is approximately equal to \$40,000,000. Amounts undrawn at the end of the first 12-month period shall be canceled. The Asia-Pacific Financing has a commitment fee of 0.3% on unutilized amounts during the 12-month draw period and bears interest at a floating rate (the relevant three-month local cost of funds for Singapore and Japan, as applicable, plus 1.85%-2.50% depending on the ratio of the Company's senior indebtedness to its earnings before interest, taxes, depreciation and amortization, or EBITDA, with interest payable quarterly. The Asia-Pacific Financing may be used by these two subsidiaries to fund capital expenditures on leasehold improvements, equipment, and other installation costs related to expansion plans in Singapore and Tokyo. The Asia-Pacific Financing has several financial covenants, with which the Company must comply quarterly, is guaranteed by Equinix and is secured by certain of Equinix's Asia-Pacific assets. In September 2007, the Company borrowed 18,282,000 Singapore dollars at an initial interest rate per annum of 4.6625% and 1,476,833,000 Japanese yen at an initial interest rate per annum of 2.687%. Collectively the amounts borrowed equal approximately \$24,750,000 leaving approximately \$15,250,000 remaining to borrow under the Asia-Pacific Financing.

The debt issuance costs related to the Asia-Pacific Financing totaling approximately \$614,000 were capitalized and will be amortized to interest expense using the effective interest method over the four-year life of the Asia-Pacific Financing.

The unaudited pro forma combined consolidated condensed statements of operations reflect the advances to date under the Asia-Pacific Financing totaling \$24,750,000 as if they had been outstanding on January 1, 2006.

9. IXEUROPE ACQUISITION RELATED PRO FORMA ADJUSTMENTS

The accompanying unaudited pro forma combined financial statements have been prepared as if the IXEurope Acquisition and IXEurope Acquisition Financing transactions described above were completed on June 30, 2007 for balance sheet purposes and as of January 1, 2006 for statement of operations purposes.

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)**

The unaudited pro forma combined consolidated condensed balance sheet gives effect to the following pro forma adjustments:

- (a) Represents the following adjustments to cash and cash equivalents (in thousands):

Purchase price for IXEurope	\$ (536,681)
Assumed proceeds from Common Stock Offering, net of underwriting discounts and commissions	288,000
Assumed proceeds from Convertible Subordinated Notes due 2014, net of underwriting discounts and commissions	291,750
	\$ 43,069

- (b) Represents a net adjustment to IXEurope's property and equipment to fair value of \$44,161,000.
- (c) Represents goodwill of \$406,233,000 created in the acquisition of IXEurope, offset by the \$6,513,000 write-off of IXEurope's existing goodwill on its balance sheet.
- (d) Represents the addition of the customer contract intangible asset of \$63,050,000, offset by the \$408,000 write-off of IXEurope's existing intangible asset on its balance sheet.
- (e) Represents the new debt issuance costs in conjunction with the Convertible Subordinated Notes due 2014 totaling \$8,700,000, offset by the \$2,864,000 write-off of debt issuance costs in conjunction with the retirement of the Senior Bridge Loan and a fair value adjustment to write-off IXEurope's debt issuance costs totaling \$4,912,000.
- (f) Represents the following adjustments to accounts payable and accrued expenses (in thousands):

Accrual for Equinix's IXEurope transaction costs	\$ 6,988
Accrual for IXEurope's transaction costs	9,628
Accrual for assumed additional issuance costs in connection with the Common Stock Offering	450
Accrual for assumed additional issuance costs in connection with the Convertible Subordinated Notes due 2014 offering	450
	\$ 17,516

- (g) Represents an adjustment of IXEurope's other current liabilities to fair value (\$562,000) in connection with deferred installation revenue with no remaining performance obligations.

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(h) Represents the gross proceeds from the Convertible Subordinated Notes due 2014 offering.

(i) Represents the following adjustments to deferred rent and other liabilities (in thousands):

Value attributed to IXEurope's unfavorable leases	\$ 1,483
Write-off of IXEurope's non-current deferred installation revenue with no remaining performance obligation	(3,670)
	\$ (2,187)

(j) Represents the following adjustments to stockholders' equity (in thousands):

Elimination of IXEurope's historical stockholders' equity	\$ (48,937)
Net proceeds from common stock offering	287,550
Write-off of debt issuance costs in connection with repayment of the Senior Bridge Loan	(2,864)
	\$ 235,749

Table of Contents**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED****FINANCIAL STATEMENTS (continued)**

The unaudited pro forma combined consolidated condensed statements of operation give effect to the following pro forma adjustments:

- (k) Represents additional depreciation expense in connection with the fair value adjustment to IXEurope's property and equipment offset by a nominal amount of rent expense savings as a result of the unfavorable lease liability amortization recorded in connection with the IXEurope Acquisition (in thousands):

	Year ended December 31, 2006	Six months ended June 30, 2007
Additional depreciation expense in connection with IXEurope Acquisition	\$ 4,058	\$ 2,176
IXEurope unfavorable lease liability amortization	(182)	(98)
	\$ 3,876	\$ 2,078

- (l) Represents (i) the amortization of the IXEurope customer contract intangible in connection with the IXEurope Acquisition over an estimated useful life of ten years and (ii) additional depreciation expense in connection with the fair value adjustment to IXEurope's property and equipment as noted below (in thousands):

	Year ended December 31, 2006	Six months ended June 30, 2007
IXEurope customer contract intangible amortization	\$ 5,274	\$ 2,828
Additional depreciation expense in connection with IXEurope acquisition	187	100
	\$ 5,461	\$ 2,928

- (m) Represents the additional interest expense associated with the Convertible Subordinated Notes due 2014.

- (n) Represents the write-off of the debt issuance costs in connection with the termination of the Senior Bridge Loan.

- (o) Represents the shares of common stock associated with new common stock offering as if they were outstanding as of January 1, 2006.

10. OTHER PRO FORMA ADJUSTMENTS

The accompanying unaudited pro forma combined financial statements have been prepared as if the Other Significant Subsequent Events transactions described above were completed on June 30, 2007 for balance sheet purposes and as of January 1, 2006 for statement of operations

purposes.

The unaudited pro forma combined consolidated condensed balance sheet gives effect to the following pro forma adjustments:

(p) Represents the following adjustments to cash and cash equivalents (in thousands):

Additional proceeds from the Chicago IBX financing	\$ 19,063
Purchase of San Jose property acquisition	(58,732)
Proceeds from Asia-Pacific financing	24,750
	\$ (14,919)

(q) Represents an adjustment to property and equipment as a result of the San Jose property acquisition totaling \$63,708,000.

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NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED

FINANCIAL STATEMENTS (continued)

- (r) Represents the new debt issuance costs in conjunction with the Asia-Pacific Financing totaling \$614,000.
- (s) Represents the reclassification of the \$6,500,000 deposit for the San Jose Property Acquisition paid in January 2007 to property and equipment in connection with the closing of this transaction.
- (t) Represents the accrual for the new debt issuance costs in conjunction with the Asia-Pacific Financing.
- (u) Represents the additional proceeds from the Chicago IBX Financing of \$19,063,000 and proceeds from the Asia-Pacific Financing of \$24,750,000.
- (v) Represents the write-off of deferred rent and asset retirement obligations in connection with the purchase of property in connection with the San Jose property acquisition totaling \$1,524,000.

The unaudited pro forma combined consolidated condensed statements of operation give effect to the following pro forma adjustments:

- (w) Represents the additional depreciation and property tax expense as a result of the San Jose Property Acquisition offset by some savings in rent expense on this property that was previously rented.
- (x) Represents additional interest expense associated with (i) the cumulative advances from the Chicago IBX Financing and (ii) the Asia-Pacific Financing.

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DESCRIPTION OF NOTES

We will issue the notes under an indenture to be dated as of the date of the issuance of the notes between us and U.S. Bank National Association, as trustee. The following description summarizes some, but not all, of the provisions of the notes and the indenture. We urge investors to read the indenture because it, and not this description, defines the rights of the holders of the notes. The terms of the notes will include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended. A copy of the indenture is available as described under [Where You Can Find More Information](#) .

In this [Description of Notes](#) section, references to [Equinix](#) , [we](#) , [our](#) or [us](#) refer to Equinix, Inc. and not to any existing or future subsidiary.

General

The notes will be our unsecured obligations and will be subordinate in right of payment to all of our existing and future senior debt as described under [Subordination](#) . The notes will be convertible into our common stock as described under [Conversion of Notes](#) . We are offering \$300,000,000 aggregate principal amount of notes, or \$345,000,000 aggregate principal amount if the underwriters' over-allotment option to purchase additional notes is exercised in full.

The notes will bear interest at an annual rate of [%](#) commencing on the date of issuance or from the most recent date to which interest has been paid or provided for. Interest will be payable on April 15 and October 15 of each year, commencing April 15, 2008, subject to limited exceptions if the notes are converted or repurchased prior to the interest payment date. The record dates for the payment of interest will be the preceding April 1 and October 1, respectively.

The notes will be issued only in denominations of \$1,000 or in integral multiples of \$1,000. The notes will mature on October 15, 2014, unless earlier converted or repurchased by us at a holder's option upon a fundamental change.

Neither we nor our subsidiaries are restricted from paying dividends, incurring debt or issuing or repurchasing our securities under the indenture. In addition, there are no financial covenants in the indenture. Holders are not protected under the indenture in the event of a highly leveraged transaction or a change in control of Equinix, except to the extent described under [Repurchase at Option of the Holder upon a Fundamental Change](#) .

We may, at our option, pay interest on the notes by check mailed to the holders. However, each beneficial owner of notes issued in global form will be paid by wire transfer in immediately available funds in accordance with DTC's settlement procedures, and each holder of notes in certificated form with an aggregate principal amount in excess of \$2.0 million will be paid by wire transfer in immediately available funds upon the holder's election if the holder has provided us with wire transfer instructions at least 10 business days prior to the payment date. Interest on the notes will accrue and be paid on the basis of a 360-day year comprised of twelve 30-day months. We will not be required to make any payment on the notes due on any day that is not a business day until the next succeeding business day. The payment made on the next succeeding business day will be treated as though it were paid on the original due date and no interest will accrue on the payment for the additional period of time.

A [business day](#) means a day other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required to close.

We will maintain an office in New York, New York where the notes may be presented for registration, transfer, exchange or conversion. This office will initially be an office or agency of the trustee. Except under

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limited circumstances described under Book-entry, Delivery and Form , the notes will be issued only in fully-registered book-entry form, without coupons, and will be represented by one or more global notes. There will be no service charge for any registration of transfer or exchange of notes. We may, however, require holders to pay a sum sufficient to cover any tax or other governmental charge payable in connection with certain transfers or exchanges.

We may, without the consent of the holders of the notes, issue additional notes in an unlimited principal amount having the same ranking, the same CUSIP number and the same interest rate, maturity and other terms as the notes, provided that no such additional notes may be issued unless for U.S. federal income tax purposes they are fungible with the notes offered hereby. Any of these additional notes will, together with the notes offered hereby, constitute a single series of notes under the indenture. Holders of any additional notes will have the right to vote together with holders of notes offered hereby as one class. We may also from time to time purchase the notes in the open market, by tender offer or in negotiated transactions without prior notice to holders.

Ranking

The notes are unsecured obligations and are:

subordinated in right of payment, as provided in the indenture, to the prior payment in full of all of our existing and future senior debt, including our Second Amended and Restated Loan and Security Agreement, dated August 10, 2006 among Silicon Valley Bank, General Electric Capital Corporation, Equinix, Inc., and Equinix Operating Co., Inc., as amended, and our guarantee of amounts outstanding under the Multi-Currency Credit Facility Agreement, dated August 31, 2007 among Equinix Singapore Pte. Ltd., Equinix Japan KK and ABN Amro Bank N.V.;

equal in right of payment with all of our existing and future subordinated debt, including our 2.50% Convertible Subordinated Debentures due 2024 and our 2.50% Convertible Subordinated Notes due 2012; and

effectively subordinated to all existing or future indebtedness and other liabilities of our subsidiaries, including, on a pro forma basis, the Senior Facility Agreement between IXEurope plc and CIT Bank Limited.

As of June 30, 2007, on a pro forma basis, we would have had outstanding approximately \$250.1 million of senior indebtedness and \$582.3 million of subordinated indebtedness and our subsidiaries would have had approximately \$599.1 million of indebtedness and other liabilities, excluding intercompany items. The indenture governing the notes does not limit our ability or the ability of our subsidiaries to create, incur, assume or guarantee debt, including senior debt. Any senior debt will continue to be senior debt and will be entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any of the terms of such senior debt.

Subordination

The indenture provides that in the event of any payment or distribution of our assets upon our dissolution, winding up, liquidation or reorganization, the holders of our senior debt shall first be paid in respect of all senior debt in full in cash or other payment satisfactory to the holders of senior debt before we make any payments of principal of, and interest on the notes. In addition, if the notes are accelerated because of an event of default, the holders of any senior debt would be entitled to payment in full in cash or other payment satisfactory to the holders of senior debt of all obligations in respect of senior debt before the holders of the notes are entitled to receive any payment or distribution. Under the indenture governing the notes, we must promptly notify holders of senior debt if payment of the notes is accelerated because of an event of default.

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The indenture further provides that if any default by us has occurred and is continuing beyond any applicable grace period in the payment of principal of, premium, if any, or interest on, rent or other payment obligations in respect of any senior debt whether by acceleration or otherwise, then no payment shall be made on account of principal of, or interest on the notes, until all such defaults in respect of such senior debt have been cured or waived or cease to exist.

During the continuance of any event of default with respect to any designated senior debt (other than a default in payment of the principal of, premium, if any, or interest on, rent or other payment obligations in respect of any designated senior debt) permitting the holders thereof to accelerate the maturity thereof (or, in the case of any lease, permitting the landlord either to terminate the lease or to require us to make an irrevocable offer to terminate the lease following an event of default thereunder), no payment may be made by us, directly or indirectly, with respect to principal of or interest on the notes until the earlier of (i) 179 days following written notice to the trustee, from persons entitled to give such notice under any agreement pursuant to which that designated senior debt may have been issued, that such an event of default has occurred and is continuing, (ii) the date such event of default has been cured or waived or ceases to exist, or (iii) the date such payment blockage period shall have been terminated by written notice to us or the trustee from the person initiating such payment blockage period.

Notwithstanding the foregoing (but subject to the provisions described above limiting payment on the notes in certain circumstances), unless the holders of such designated senior debt or the representative of such holders shall have accelerated the maturity of such designated senior debt, we may resume payments on the notes after the end of such blockage period. Not more than one payment blockage notice may be given in any consecutive 365-day period, irrespective of the number of defaults with respect to one or more issues of designated senior debt during such period. No nonpayment default that existed or was continuing on the date of delivery of any payment blockage notice to the trustee will be, or can be made, the basis for the commencement of a subsequent payment blockage period whether or not within a period of 365 consecutive days. In no event may the total number of days during which any payment blockage period is in effect exceed 179 days in the aggregate in any consecutive 365-day period.

The term **senior debt** means the principal of, premium, if any, interest (including all interest accruing subsequent to the commencement of any bankruptcy or similar proceeding, whether or not a claim for post-petition interest is allowable as a claim in any such proceeding) and rent payable on or termination payment with respect to or in connection with, and all fees, costs, expenses and other amounts accrued or due on or in connection with, our indebtedness, whether outstanding on the date of the indenture or subsequently created, incurred, assumed, guaranteed or in effect guaranteed by us (including all deferrals, renewals, extensions or refundings of, or amendments, modifications or supplements to, the foregoing), except for:

any indebtedness that by its terms expressly provides that such indebtedness shall not be senior in right of payment to the notes or expressly provides that such indebtedness is equal with or junior in right of payment with the notes;

any indebtedness between or among us or any of our majority or wholly-owned subsidiaries, or any entity a majority of the voting stock of which we directly or indirectly own, other than indebtedness to our subsidiaries arising by reason of guaranties by us of indebtedness of such subsidiary to a person that is not our subsidiary;

our real and personal property leases, our capital leases and our equipment and IBX financing obligations, provided, however, that our SFT1 Loan Agreements (which are providing us with a portion of the financing for certain of our announced IBX expansions) and our mortgage payables shall constitute senior debt;

indebtedness under our 2.50% Convertible Subordinated Debentures due 2024;

indebtedness under our 2.50% Convertible Subordinated Notes due 2012;

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any liability for federal, state, local or other taxes owed or owing by us; and

our trade payables and accrued expenses (including, without limitation, accrued compensation and accrued restructuring charges) or deferred purchase price for goods, services or materials purchased or provided in the ordinary course of business.

The term *designated senior debt* means our senior debt which, on the date of a payment event of default or the delivery of a payment blockage notice, has an aggregate amount outstanding of, or under which, on such date, the holders thereof are committed to lend up to, at least \$5.0 million and is specifically designated in the instrument evidencing or governing that senior debt as *designated senior debt* for purposes of the indenture. However, the instrument may place limitations and conditions on the right of that senior debt to exercise the rights of designated senior debt. As of June 30, 2007, on a pro forma basis, we would have had approximately \$250.1 million in aggregate principal amount of designated senior debt.

By reason of these subordination provisions, in the event of insolvency, funds which we would otherwise use to pay the holders of notes will be used to pay the holders of senior debt to the extent necessary to pay senior debt in full in cash or other payment satisfactory to the holders of senior debt. As a result of these payments, our general creditors may recover less, ratably, than holders of senior debt and such general creditors may recover more, ratably, than holders of notes. These subordination provisions will not prevent the occurrence of any event of default under the indenture.

The notes are effectively subordinated to all existing and future liabilities of our subsidiaries. Any right we have to receive assets of any existing subsidiary or any future subsidiary upon the liquidation or reorganization of such subsidiary (and the consequent right of the holders of the notes to participate in those assets) will be effectively subordinated to the claims of such subsidiary's creditors, except to the extent that we are ourselves recognized as a creditor of that subsidiary, in which case our claims would still be subordinate to any security interests in the assets of that subsidiary and any indebtedness of that subsidiary senior to that held by us. There are no restrictions in the indenture on the ability of our existing subsidiaries or any future subsidiaries to incur indebtedness or other liabilities. As of June 30, 2007, on a pro forma basis, our subsidiaries (including IXEurope) would have had approximately \$599.1 million of indebtedness and other liabilities outstanding (excluding intercompany items).

If the trustee or any holder of the notes receives any payment or distribution of our assets in contravention of the subordination provisions of the notes before all senior debt is paid in full in cash or other payment satisfactory to holders of senior debt, then such payment or distribution will be held in trust for the benefit of holders of senior debt or their representative to the extent necessary to make payment in full in cash or payment satisfactory to the holders of senior debt of all unpaid senior debt.

We will be obligated to pay reasonable compensation to the trustee and to indemnify the trustee against any losses, liabilities or expenses incurred by it in connection with its duties relating to the notes. The trustee's claims for such payments will be senior to those of holders of the notes in respect of all funds collected or held by the trustee.

Conversion of Notes

General

Subject to the qualifications and the satisfaction of the conditions described below, holders may, at their option, convert any of their notes into shares of our common stock at a conversion rate determined as described below under *Conversion Rate*.

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The number of shares to be received upon conversion at any given time will be subject to adjustment as described under **Anti-dilution Adjustments** **Adjustment Events** . A holder may convert fewer than all of such holder's notes so long as the principal amount of notes converted is an integral multiple of \$1,000.

A holder may surrender notes for conversion at any time prior to the close of business on the business day immediately preceding the maturity date.

If the notes are subject to repurchase following a fundamental change, a holder's conversion rights on the notes subject to repurchase will terminate at the close of business on the business day immediately preceding the repurchase date unless we default in the payment of the repurchase price, in which case a holder's conversion right will terminate at the close of business on the date the default is cured and the notes are repurchased. If a holder has submitted notes for repurchase following a fundamental change, the holder may convert the notes only if it withdraws its election in accordance with the indenture. See **Repurchase at Option of the Holder upon a Fundamental Change** .

Upon conversion of a note, a holder will not receive any cash payment of interest (unless such conversion occurs between a regular record date and the interest payment date to which it relates) and we will not adjust the conversion rate to account for accrued and unpaid interest. Our delivery to the holder of the full number of shares of our common stock into which the note is convertible, together with any cash payment for fractional shares, will be deemed to satisfy our obligation with respect to such note. Accordingly, any accrued but unpaid interest will be deemed to be paid in full upon conversion, rather than cancelled, extinguished or forfeited. For a discussion of the tax treatment to a holder of notes receiving shares of our common stock upon conversion, see **Material U.S. Federal Income Tax Considerations** **Conversion of the Notes** .

Notwithstanding the preceding paragraph, holders of notes at the close of business on a regular record date will receive payment of interest payable on the corresponding interest payment date notwithstanding the conversion of such notes at any time after the close of business on the applicable regular record date. Notes surrendered for conversion by a holder during the period from the close of business on any regular record date to the opening of business on the next interest payment date must be accompanied by funds equal to the amount of such interest payable on the notes so converted, provided that no such payment need be made:

if we have specified a fundamental change repurchase date that is after a record date and on or prior to the corresponding interest payment date;

for conversions following the regular record date immediately preceding the final interest payment date; or

to the extent of overdue interest, if any overdue interest exists at the time of conversion with respect to such note.

Accordingly, a holder who chooses to convert its notes under any of the circumstances described in the preceding bullets will not be required to pay us, at the time it surrenders the notes for conversion, the amount of interest on the notes that it would have received on the interest payment date if the notes had not been repurchased by us or converted, as applicable.

We will pay any documentary, stamp or similar issue or transfer tax due on the issuance of shares of our common stock upon the conversion of notes, if any, unless the tax is due because the holder requests the shares to be issued or delivered to a person other than the holder, in which case the holder is responsible for the payment of that tax.

If a holder wishes to exercise its conversion right, such holder must deliver a duly completed conversion notice, together, if the notes are in certificated form, with the certificated security, to the conversion agent along with appropriate endorsements and transfer documents, if required, and pay any transfer or similar tax, if

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required. Holders may obtain copies of the required form of the conversion notice from the conversion agent. The trustee will initially act as the conversion agent.

Conversion Rate

The conversion rate per \$1,000 principal amount of notes to be converted will be determined as follows:

If the applicable stock price is less than or equal to the base conversion price, the conversion rate will be the base conversion rate.

If the applicable stock price is greater than the base conversion price, the conversion rate will be determined in accordance with the following formula:

$$\text{base conversion rate} + \left[\frac{(\text{the applicable stock price} - \text{the base conversion price})}{\text{the applicable stock price}} \times \text{the incremental share factor} \right]$$

The conversion rate, including any additional shares added to the conversion rate in connection with a make-whole fundamental change (as defined below), will not exceed (which is equal to a conversion price of \$ per share); however, such maximum conversion rate will be appropriately adjusted for all base conversion rate adjustments (and adjustments to the incremental share factor) described below under Anti-dilution Adjustments Adjustment Events .

The base conversion rate per \$1,000 principal amount of notes is , subject to adjustment as described under Anti-dilution Adjustments Adjustment Events.

The base conversion price is a dollar amount (initially \$) derived by dividing \$1,000 by the base conversion rate.

The incremental share factor is , subject to the same proportional adjustments as the base conversion rate.

The applicable stock price is equal to the average of the sale prices of our common stock over the 10-trading day period starting the third trading day following the conversion date of the notes; provided that with respect to notes surrendered for conversion on or after the 13th scheduled trading day immediately preceding the maturity date, the applicable stock price shall be equal to the average of the sale prices of our common stock over the 10-trading day period immediately preceding the maturity date. The 10-trading day period used to determine the applicable stock price is referred to herein as the averaging period .

The sale price of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and asked prices or, if more than one such price in either case, the average of the average bid and the average asked prices) on that date as reported by the NASDAQ Global Select Market or, if our common stock is not listed on the NASDAQ Global Select Market, on the other principal U.S. national or regional securities exchange on which our common stock is then traded. The sale price will be determined without reference to after-hours or extended market trading.

If our common stock is not reported by the NASDAQ Global Select Market or a principal U.S. national or regional securities exchange, the sale price will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization.

If our common stock is not so quoted, the sale price will be the average of the mid-point of the last bid and asked prices for our common stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

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The term **trading day** means any day on which (i) there is no market disruption event (as defined below) and (ii) the NASDAQ Global Select Market or, if our common stock is not quoted on the NASDAQ Global Select Market, the principal U.S. national or regional securities exchange on which our common stock is listed, opens for trading during its regular trading session or, if our common stock is not so listed, admitted for trading or quoted, any business day. A **trading day** only includes those days that have a scheduled closing time of 4:00 p.m. (New York City time) or the then standard closing time for regular trading on the relevant exchange or trading system.

The term **market disruption event** means the occurrence or existence prior to 1:00 p.m. on any trading day for our common stock of an aggregate one half hour period, of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in our common stock or in any options, contracts or future contracts relating to our common stock.

The term **scheduled trading day** means any day that is scheduled to be a trading day.

We will not issue fractional shares of our common stock upon conversion of notes. Instead, we will pay cash in an amount based upon the sale price of our common stock on the trading day immediately preceding the conversion date. Except as described under **Conversion of Notes - General**, holders will not receive any accrued interest or dividends upon conversion.

Conversion Procedures

To convert a note into shares of our common stock the holder must:

complete and manually sign the conversion notice on the back of the note or a facsimile of the conversion notice and deliver the notice to the conversion agent;

surrender the note to the conversion agent;

if required, furnish appropriate endorsements and transfer documents;

if required, pay all transfer or similar taxes; and

if required, pay funds equal to interest payable on the next interest payment date.

The date a holder complies with these requirements is the conversion date under the indenture. If the holder's interest is a beneficial interest in a global note, to convert the holder must comply with the last three requirements listed above and comply with DTC's procedures for exchanging a beneficial interest in a global note.

The conversion agent will, on a holder's behalf, convert the notes into shares of our common stock, together with any cash in lieu of fractional shares as described above. A holder may obtain copies of the required form of the conversion notice from the conversion agent. Settlement of our obligation to deliver shares and cash in lieu of fractional shares will occur no later than the third business day immediately following the averaging period, except as described below under **Settlement of Conversions Upon Certain Changes of Control**. Delivery of shares will be accomplished by delivery to the conversion agent of certificates for the relevant number of shares, other than in the case of holders of notes in book-entry form with DTC, which shares shall be delivered in accordance with DTC customary practices.

Exchange in Lieu of Conversion

When a holder surrenders notes for conversion, we may direct the conversion agent to surrender, on or prior to the commencement of the averaging period, such notes to a financial institution designated by us for exchange in lieu of conversion. In order to accept any notes surrendered for conversion, the designated institution must agree to deliver, in exchange for such notes, shares of our common stock equal to the conversion rate, together

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with cash in lieu of any fractional shares, all as provided above under Conversion Rate. By the close of business on the trading day immediately preceding the start of the averaging period, we will notify the holder surrendering notes for conversion that we have directed the designated financial institution to make an exchange in lieu of conversion.

If the designated institution accepts any such notes, it will deliver shares of our common stock, together with cash in lieu of any fractional shares to the conversion agent, and the conversion agent will deliver the shares and any cash in lieu of fractional shares to the applicable holder. Any notes exchanged by the designated institution will remain outstanding. If the designated institution agrees to accept any notes for exchange but does not timely deliver the related consideration, or if such designated financial institution does not accept the notes for exchange, we will, no later than the third trading day immediately following the last day of the averaging period, convert such notes into shares of our common stock equal to the conversion rate, together with cash in lieu of fractional shares, as described above under Conversion Rate.

Our designation of an institution to which the notes may be submitted for exchange does not require the institution to accept any notes. We will not pay any consideration to, or otherwise enter into any agreement with, the designated institution for or with respect to such designation.

Anti-dilution Adjustments

Adjustment Events. The base conversion rate will be adjusted (and the incremental share factor shall be proportionally adjusted in the same manner) for the following events:

- (1) the issuance of our common stock as a dividend or distribution on our common stock, or certain subdivisions and combinations of our common stock, in which event the base conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

- CR₀ = the base conversion rate in effect immediately prior to the ex-date for such dividend or distribution or the effective date of such subdivision or combination, as the case may be;
- CR₁ = the base conversion rate in effect immediately on and after the ex-date for such dividend or distribution or the effective date of such subdivision or combination, as the case may be;
- OS₀ = the number of shares of our common stock outstanding immediately prior to the ex-date for such dividend or distribution or the effective date of such subdivision or combination, as the case may be; and
- OS₁ = the number of shares of our common stock outstanding immediately on and after the ex-date for such dividend or distribution or the effective date of such subdivision or combination, as the case may be.

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- (2) the issuance to all holders of our common stock of certain rights or warrants entitling them to purchase our common stock for a period expiring within 60 days after the date of issuance of such rights or warrants at less than the average sale prices of our common stock over the 10 consecutive trading day period ending on and including the trading day immediately preceding the announcement of such issuance; provided that the base conversion rate will be readjusted to the extent that such rights or warrants are not exercised prior to the expiration based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = the base conversion rate in effect at the close of business immediately prior to the ex-date for such event;

CR_1 = the base conversion rate in effect immediately on and after the ex-date for such event;

OS_0 = the number of shares of our common stock outstanding immediately prior to the ex-date for such event;

X = the total number of shares of our common stock issuable pursuant to such rights or warrants; and

Y = the number of shares of our common stock equal to the aggregate price payable to exercise such rights or warrants divided by the average sale prices of our common stock over the 10 consecutive trading day period ending on and including the trading day immediately preceding the announcement of such issuance.

- (3) the dividend or other distribution to all holders of our common stock of securities, evidences of our indebtedness, assets or properties (excluding (A) any dividend, distribution or issuance covered by clause (1) or (2) above and (B) any dividend or distribution paid exclusively in cash), in which event the base conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 + FMV}$$

where,

CR_0 = the base conversion rate in effect immediately prior to the ex-date for such distribution;

CR_1 = the base conversion rate in effect immediately on and after the ex-date for such distribution;

SP_0 = the current market price of our common stock; and

FMV = the fair market value (as determined in good faith by our board of directors) of the securities, evidences of indebtedness, assets or property dividend or distributed with respect to each outstanding share of our common stock on the ex-date for such dividend or distribution.

With respect to an adjustment pursuant to this clause (3) where there has been a payment of a dividend or other distribution on our common stock of shares of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, which we refer to as a spin-off, in which event the base conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

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where,

- CR_0 = the base conversion rate in effect immediately prior to 5:00 p.m. on the 10th trading day immediately following, and including, the effective date of the spin-off;
- CR_1 = the base conversion rate in effect immediately from and after 5:00 p.m. on the 10th trading day immediately following, and including, the effective date of the spin-off;
- FMV_0 = the average of the sale prices of the capital stock or similar equity interest distributed to holders of our common stock applicable to one share of our common stock over the 10 consecutive trading days commencing on and including the effective date of the spin-off; and
- MP_0 = the average of the sale prices of our common stock over the 10 consecutive trading days commencing on and including the effective date of the spin-off.

- (4) dividends or other distributions consisting exclusively of cash to all holders of our common stock in which event the base conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0} C$$

where,

- CR_0 = the base conversion rate in effect immediately prior to the ex-date for such distribution;
- CR_1 = the base conversion rate in effect immediately on and after the ex-date for such distribution;
- SP_0 = the current market price of our common stock; and
- C = the amount in cash per share we distribute to holders of our common stock.

- (5) we or one or more of our subsidiaries make purchases of our common stock pursuant to a tender offer or exchange offer (other than exchange offers not subject to Rule 13e-4 under the Exchange Act) by us or one of our subsidiaries for our common stock to the extent that the cash and value of any other consideration included in the payment per share of our common stock exceeds the average sale prices of our common stock over the 10 consecutive trading days commencing on the trading day immediately succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the expiration date), in which event the base conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

- CR_0 = the base conversion rate in effect at the close of business on the expiration date;
- CR_1 = the base conversion rate in effect immediately after the expiration date;
- FMV = the fair market value (as determined in good faith by our board of directors) of the aggregate value of all cash and any other consideration paid or payable for shares validly tendered or exchanged and not withdrawn as of the expiration date;
- OS_1 = the number of shares of our common stock outstanding immediately after the expiration date (after giving effect to the purchase or exchange of shares pursuant to such tender or exchange offer);

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- OS_0 = the number of shares of our common stock outstanding immediately after the expiration date (without giving effect to the purchase or exchange of shares pursuant to such tender or exchange offer); and
- SP_1 = the average of the sale prices of our common stock over the 10 consecutive trading days commencing on and including the trading day immediately succeeding the expiration date.

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The current market price of our common stock on any day means the average sale prices of our common stock over the 10 consecutive trading days ending on and including the earlier of the day in question and the day before the ex-date with respect to an issuance, dividend or distribution requiring such computation. The ex-date means the first date on which the shares of our common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive an issuance, dividend or distribution.

The record date means, for purpose of this section, with respect to any dividend, distribution or other transaction or event in which the holders of our common stock have the right to receive any cash, securities or other property or in which our common stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of our common stock entitled to receive such cash, securities or other property (whether such date is fixed by our board of directors or by statute, contract or otherwise).

No adjustment in the base conversion rate or the incremental share factor will be required unless such adjustment would require a change of at least 1% in the base conversion rate then in effect at such time. However, we will carry forward any adjustments that are less than 1% of the base conversion rate and take them into account in any subsequent adjustment of the base conversion rate or the incremental share factor or in connection with any conversion of the notes. We will not make any adjustments if holders of notes are permitted to participate, without converting their notes, in the transactions described in clauses (1) through (5) under Anti-dilution Adjustments Adjustment Events that would otherwise require adjustment of the base conversion rate and the incremental share factor. Except as described under Anti-dilution Adjustments Adjustment Events, we will not adjust the base conversion rate or the incremental share factor for any issuance of our common stock or convertible or exchangeable securities or rights to purchase our common stock or convertible or exchangeable securities.

As a result of any adjustment of the base conversion rate (including an adjustment upon certain changes of control), the holders of notes may, in certain circumstances, be deemed to have received a distribution subject to U.S. income tax as a dividend. In certain other circumstances, the absence of an adjustment may result in a taxable dividend to the holders of notes or our common stock. In addition, non-U.S. holders of notes in certain circumstances may be deemed to have received a distribution subject to U.S. federal withholding tax requirements. See Material U.S. Federal Income Tax Considerations U.S. Holders Adjustments to Conversion Rate and Distributions on Common Stock, and Non-U.S. Holders Adjustments to Conversion Rate and Distributions on Common Stock.

Treatment of Reference Property. In the case of any recapitalization, reclassification or change of our common stock (other than changes resulting from a subdivision or combination), a consolidation, merger or combination involving us, a sale, lease or other transfer to another corporation of all or substantially all of our assets, or any statutory share exchange, in each case as a result of which holders of our common stock are entitled to receive stock, other securities, other property or assets (including cash or any combination thereof) with respect to or in exchange for our common stock, the holders of the notes then outstanding will be entitled thereafter to convert those notes into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that they would have owned or been entitled to receive (reference property) upon such recapitalization, reclassification, change, consolidation, merger, combination, sale, lease, transfer or statutory share exchange had such notes been converted into our common stock immediately prior to such transaction. In the event holders of our common stock have the opportunity to elect the form of consideration to be received in such transaction, we will make adequate provision whereby notes shall be convertible from and after the effective date of such transaction into the form of consideration elected by a majority of our stockholders in such transaction. We will agree in the indenture not to become a party to any such transaction unless its terms are consistent with the foregoing.

Treatment of Rights Plan. To the extent that we have a rights plan in effect upon conversion of the notes into our common stock, a holder will receive, in addition to our common stock, the rights under the rights plan, unless prior to any conversion, the rights have separated from our common stock, in which case the base conversion rate and the incremental share factor will be adjusted at the time of separation as if we distributed, to all holders of our common stock, shares of our capital stock, evidences of indebtedness or assets as described above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

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Voluntary Increase in Conversion Rate. We may from time to time, to the extent permitted by law and subject to applicable rules of the NASDAQ Global Select Market, increase the conversion rate of the notes by any amount for any period of at least 20 days. In that case we will give at least 15 days notice of such increase. We may also, in our discretion, increase the conversion rate to avoid or diminish any income tax to holders of our common stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes.

Adjustment to Conversion Rate upon Certain Changes of Control

If a holder elects to convert notes in connection with a make-whole fundamental change (as defined below), we will increase the conversion rate for the notes surrendered for conversion by a number of additional shares of our common stock (the additional shares), as described below. Any conversion of the notes by a holder from and after the date that is 15 days prior to the anticipated effective date of the make-whole fundamental change through and including the date that is 15 days after the effective date of such make-whole fundamental change will be deemed for these purposes to be in connection with such make-whole fundamental change. A make-whole fundamental change means a transaction described in clauses (1) or (2) of the definition of change of control (as set forth under Repurchase at Option of the Holder upon a Fundamental Change), excluding a change of control in clause (2) where the exception relating to a transaction involving consideration of at least 95% publicly traded securities is available.

We will give notice of such make-whole fundamental change to all record holders of the notes as promptly as practicable following the date we publicly announce such make-whole fundamental change (but in no event less than 15 days prior to the anticipated effective date of such make-whole fundamental change).

The number of additional shares will be determined by reference to the table below and is based on the date on which such make-whole fundamental change becomes effective (the effective date) and the price (the stock price) paid per share of our common stock in such transaction. If the holders of our common stock receive only cash in the make-whole fundamental change, the stock price shall be the cash amount paid per share. Otherwise the stock price shall be the average of the sale prices of our common stock over the 10 consecutive trading day period ending on the trading day immediately preceding the effective date.

The stock prices set forth in the first row of the table (i.e., the column headers) will be adjusted as of any date on which the base conversion rate of the notes is adjusted. The adjusted stock prices will equal the stock prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the base conversion rate immediately prior to the adjustment giving rise to the stock price adjustment and the denominator of which is the base conversion rate as so adjusted. Our obligation to increase the base conversion rate will be subject to adjustment in the same manner as the base conversion rate as set forth under Anti-dilution Adjustments Adjustment Events.

The following table sets forth the stock price and increase in the conversion rate, expressed as a number of additional shares to be added to the conversion rate:

Change of Control Effective Date	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
, 2007*												
October 15, 2008												
October 15, 2009												
October 15, 2010												
October 15, 2011												
October 15, 2012												
October 15, 2013												
October 15, 2014												

* The original issue date of the notes.

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The exact stock price and effective dates may not be set forth on the table, in which case:

- (1) if the stock price is between two stock price amounts on the table or the effective date is between two dates on the table, the number of additional shares will be determined by straight-line interpolation between the number of additional shares set forth for the higher and lower stock prices and the earlier and later effective dates, as applicable, based on a 365 day year;
- (2) if the stock price is greater than \$ per share (subject to adjustment as described above), no increase will be made to the conversion rate; and
- (3) if the stock price is less than \$ per share (subject to adjustment as described above), no increase will be made to the conversion rate.

Notwithstanding the foregoing, in no event will the total number of additional shares added to the conversion rate exceed per \$1,000 principal amount of notes, subject to adjustment as described above.

Our obligation to deliver the additional shares could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

Settlement of Conversions upon Certain Changes of Control

If, as described above under Adjustment to Conversion Rate upon Certain Changes of Control , we are required to increase the conversion rate by the additional shares as a result of a make-whole fundamental change, notes surrendered for conversion will be settled as follows:

If the date on which notes are surrendered for conversion is prior to the 10th trading day preceding the effective date of the make-whole fundamental change (the cut-off date), we will settle such conversion by delivering the number of shares of our common stock (based on the conversion rate without regard to the number of additional shares, if any, to be added to the conversion rate as a result of the make-whole fundamental change) no later than the third business day immediately following the averaging period as described above. In addition, as soon as practicable following the effective date of the make-whole fundamental change (but in any event within three trading days of such effective date), we will deliver the number of additional shares to be added to the conversion rate as a result of the make-whole fundamental change, if any, or the equivalent of such shares in reference property, as applicable.

If the date on which notes are surrendered for conversion is on or following the cut-off date, we will settle such conversion (based on the conversion rate as increased by the additional shares added to the conversion rate as a result of the make-whole fundamental change) no later than the third business day immediately following the averaging period as described above, by delivering the number of shares of our common stock (based on the conversion rate without regard to the number of additional shares to be added to the conversion rate as a result of the make-whole fundamental change) plus the number of additional shares to be added to the conversion rate as a result of the make-whole fundamental change, if any, or the equivalent of such shares in reference property, as applicable.

For the avoidance of doubt, in the event notes are surrendered for conversion in connection with an anticipated make-whole fundamental change and such make-whole fundamental change does not in fact occur, no additional shares will be added to the conversion rate and no additional cash or reference property will be paid as a result of the related anticipated make-whole fundamental change.

Optional Redemption

We do not have the right to redeem the notes.

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Repurchase at Option of the Holder upon a Fundamental Change

If a fundamental change occurs, each holder of notes will have the right to require us to purchase in cash some or all of that holder's notes, or any portion of those notes that is equal to \$1,000 or an integral multiple of \$1,000, on the date that is 45 days after the date we give notice at a purchase price equal to 100% of the principal amount of the notes to be purchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

Within 30 days after the occurrence of a fundamental change, we are required to give notice to all holders of notes, as provided in the indenture, of the occurrence of the fundamental change and of their resulting repurchase right. We must also deliver a copy of our notice to the trustee. To exercise the repurchase right, a holder of notes must deliver, prior to or on the 30th day after the date of our notice, written notice to the trustee of the holder's exercise of its repurchase right, together with the notes with respect to which the right is being exercised. The repurchase notice must state:

if certificated notes have been issued, the certificate numbers (or, if the notes are not certificated, the repurchase notice must comply with appropriate DTC procedures);

the portion of the principal amount of notes to be repurchased, which must be an integral multiple of \$1,000; and

that the notes are to be repurchased by us pursuant to the applicable provisions of the notes and the indenture.

A holder of notes may withdraw any written repurchase notice by delivering a written notice of withdrawal to the paying agent prior to the close of business on the repurchase date. The withdrawal notice must state:

the principal amount of the withdrawn notes;

if certificated notes have been issued, the certificate numbers of the withdrawn notes (or, if the notes are not certificated, the withdrawal notice must comply with appropriate DTC procedures); and

the principal amount, if any, which remains subject to the repurchase notice.

We will promptly pay the repurchase price for notes surrendered for repurchase following the repurchase date.

A fundamental change will be deemed to have occurred upon a change of control or a termination of trading.

A change of control will be deemed to have occurred at the time after the notes are originally issued that any of the following occurs:

- (1) a person or group within the meaning of Section 13(d) of the Exchange Act other than us, our subsidiaries or our or their employee benefit plans, becomes the direct or indirect ultimate beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of our common equity representing more than 50% of the voting power of our common equity and either (a) files a Schedule 13D or Schedule TO, or any successor schedule, form or report under the Exchange Act, disclosing the same or (b) we otherwise become aware of any such person or group;
- (2) consummation of any share exchange, consolidation or merger of us pursuant to which our common stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially

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all of the consolidated assets of us and our subsidiaries, taken as a whole, to any person other than one of our wholly-owned subsidiaries; provided, however, that a transaction described in this clause (2) will be deemed not to be a change of control so long as such transaction (i) both (A) does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of our voting stock and (B) the persons that beneficially owned directly or indirectly, the shares of our voting stock immediately prior to such transaction beneficially own, directly or indirectly, shares of voting stock representing a majority of the

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total voting power of all outstanding classes of voting stock of the surviving or transferee person or (ii) is effected solely for the purpose of changing our jurisdiction of incorporation and resulting in a reclassification, conversion or exchange of outstanding shares of capital stock, if at all, solely into shares of the surviving entity or a direct or indirect parent of the surviving entity; or

(3) our stockholders approve any plan or proposal for the liquidation or dissolution of us.

A change of control will not be deemed to have occurred pursuant to (2) above, however, if at least 95% of the consideration, excluding cash payments for fractional shares, in the transaction or transactions that would otherwise constitute a change of control consists of shares of common stock that are traded on, or immediately after the transaction or event will be traded on, the NASDAQ Global Select Market, the NASDAQ Global Market or the New York Stock Exchange (these securities are referred to herein as publicly traded securities), and as a result of such transaction or transactions the notes become convertible into such publicly traded securities.

A termination of trading will be deemed to have occurred if our common stock (or other common stock into which the notes are then convertible) is (i) not listed or approved for trading on the NASDAQ Global Select Market, the NASDAQ Global Market or the New York Stock Exchange or (ii) suspended from trading for 20 consecutive business days.

We will comply with any applicable provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act in the event of a fundamental change.

No notes may be repurchased at the option of the holders upon a fundamental change if there has occurred and is continuing an event of default under the indenture, other than an event of default that is cured by the payment of the fundamental change repurchase price of the notes.

These fundamental change repurchase rights could discourage a potential acquiror. However, this fundamental change repurchase feature is not the result of management's knowledge of any specific effort to obtain control of us by means of a merger, tender offer or solicitation, or part of a plan by management to adopt a series of anti-takeover provisions. The term fundamental change is limited to specified transactions and may not include other events that might adversely affect our financial condition or business operations. Our obligation to offer to repurchase the notes upon a fundamental change would not necessarily afford a holder of notes protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

We may be unable to repurchase the notes for cash if a fundamental change occurs. If a fundamental change were to occur, we may not have enough funds to pay the repurchase price for all tendered notes. Any existing or future credit agreements or other agreements relating to our indebtedness may contain provisions prohibiting repurchase of the notes under certain circumstances, or expressly prohibit our repurchase of the notes upon a fundamental change or may provide that a fundamental change constitutes an event of default under that agreement. If a fundamental change occurs at a time when we are prohibited from repurchasing notes, we could seek the consent of our lenders to repurchase the notes or attempt to refinance the debt that prohibits the repurchase. If we do not obtain consent, we would not be permitted to repurchase the notes. Our failure to repurchase tendered notes would constitute an event of default under the indenture, which might constitute a default under the terms of our other indebtedness.

Consolidation, Merger and Sale of Assets

The indenture provides that we may not consolidate with, merge into or transfer all or substantially all of our assets to another person, unless:

the resulting, surviving or transferee person is a corporation organized under the laws of the United States or any of its political subdivisions;

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the surviving entity assumes all our obligations under the indenture and the notes;

at the time of and immediately after such transaction, no event of default, and no event which, after notice or lapse of time, would become an event of default, shall have happened and be continuing; and

an officers' certificate and an opinion of counsel, each stating that the consolidation, merger or transfer complies with the provisions of the indenture, have been delivered to the trustee.

Although these types of transactions are permitted under the indenture, certain of the foregoing transactions could constitute a fundamental change (as defined under "Repurchase at Option of the Holder upon a Fundamental Change") permitting each holder to require us to repurchase the notes of such holder as described above.

Events of Default

Each of the following will constitute an event of default under the indenture:

our failure to pay when due the principal on any of the notes at maturity or upon exercise of a repurchase right or otherwise, whether or not such payment is prohibited by the subordination provisions of the indenture;

our failure to pay an installment of interest on any of the notes for 30 days after the date when due, whether or not such payment is prohibited by the subordination provisions of the indenture;

our failure to deliver, when due upon conversion, shares of our common stock, together with cash instead of fractional shares, and such failure continues for a period of five days after receipt of notice as specified in the indenture;

our failure to comply with our obligations under "Consolidation, Merger and Sale of Assets";

our failure to give notice of a fundamental change when due as set forth under "Repurchase at Option of the Holder upon a Fundamental Change";

our failure to perform or observe any other term, covenant or agreement contained in the notes or the indenture for a period of 60 days after written notice of such failure, requiring us to remedy the same, shall have been given to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the notes then outstanding, subject to extension relating to any failure to comply with the covenant described under "Reports", as described below;

a default by us or any of our subsidiaries in the payment of the principal or interest on any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any debt for money borrowed in excess of \$25.0 million in the aggregate of us and/or any of our subsidiaries, whether such debt now exists or shall hereafter be created, which default results in such debt becoming or being declared due and payable, and such acceleration shall not have been rescinded or annulled within 30 days after written notice of such acceleration has been received by us or any of our subsidiaries;

any judgment or judgments for the payment of \$25.0 million or more rendered against us or any of our subsidiaries, which judgment is not waived, discharged or stayed within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has

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commenced, or (ii) the date on which all rights to appeal have been extinguished; or

certain events of bankruptcy, insolvency or reorganization of us or any of our subsidiaries.

If an event of default specified in the last bullet point above occurs with respect to us and is continuing, then the principal of all the notes and the interest thereon shall automatically become immediately due and payable. If an event of default shall occur and be continuing, other than an event of default with respect to us specified in the

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last bullet point above, the trustee or the holders of at least 25% in aggregate principal amount of the notes then outstanding may declare the notes due and payable at their principal amount together with accrued and unpaid interest, and thereupon the trustee may, at its discretion and pursuant to the conditions in the indenture, proceed to protect and enforce the rights of the holders of notes by appropriate judicial proceedings. Such declaration may be rescinded and annulled with the written consent of the holders of a majority in aggregate principal amount of the notes then outstanding, subject to the provisions of the indenture.

Payments of the repurchase price, principal of, or premium, if any, interest or any extension fee on, the notes that are not made when due will accrue interest at the annual rate of 1% above the then-applicable interest rate from the required payment date.

The holders of a majority in aggregate principal amount of notes at the time outstanding through their written consent may waive any existing default or event of default and its consequences except any default or event of default:

in any payment on the notes;

in respect of the failure to convert the notes; or

in respect of the covenants or provisions in the indenture that may not be modified or amended without the consent of the holder of each note affected as described in Modification and Waiver below.

Holders of a majority in aggregate principal amount of the notes then outstanding through their written consent may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred upon the trustee, subject to the provisions of the indenture. The indenture contains a provision entitling the trustee, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified by the holders of notes before proceeding to exercise any right or power under the indenture at the request of such holders. The rights of holders of the notes to pursue remedies with respect to the indenture and the notes are subject to a number of additional requirements set forth in the indenture.

The indenture will provide that the trustee shall, within 90 days of the occurrence of a default, give to the registered holders of the notes notice of all uncured defaults known to it, but the trustee shall be protected in withholding such notice if it, in good faith, determines that the withholding of such notice is in the best interest of such registered holders, except in the case of a default in the payment of the principal of, or premium, if any, or interest on, any of the notes when due or in the payment of any conversion or repurchase obligation.

We are required to furnish annually to the trustee a statement as to the fulfillment of our obligations under the indenture. In addition, we are required to file with the trustee a written notice of the occurrence of any default or event of default within five business days of our becoming aware of the occurrence of any default or event of default.

Notwithstanding the foregoing, the indenture will provide that, to the extent elected by us, the sole remedy for an event of default relating to the failure to file any documents or reports that we are required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act and for any failure to comply with the requirements of Section 314(a)(1) of the Trust Indenture Act or of the covenant described below in Reports, will for the first 270 days after the occurrence of such an event of default consist exclusively of the right to receive an extension fee on the notes in an amount equal to 1.00% of the principal amount of the notes. If we so elect, the extension fee will be payable on all outstanding notes on the date on which an event of default relating to a failure to comply with the reporting obligations in the indenture first occurs, which will be the 60th day after notice to us of our failure to so comply. On the 270th day after such event of default (if the event of default relating to the reporting obligations is not cured or waived prior to such 270th day), the notes will be subject to acceleration as provided above. The provisions of the indenture described in this paragraph will not affect the rights of holders

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of notes in the event of the occurrence of any other event of default. In the event we do not elect to pay the extension fee upon an event of default in accordance with this paragraph, the notes will be subject to acceleration as provided above.

Modification and Waiver

We and the trustee may amend or supplement the indenture or the notes with the consent of the holders of a majority in aggregate principal amount of the outstanding notes. In addition, the holders of a majority in aggregate principal amount of the outstanding notes may waive our compliance in any instance with any provision of the indenture without notice to other holders. However, no amendment, supplement or waiver may be made without the consent of the holder of each outstanding note if such amendment, supplement or waiver would:

change the stated maturity of the principal of, or interest on, any note;

reduce the principal amount of or any premium or interest on any note;

reduce the amount of principal payable upon acceleration of the maturity of any note;

change the currency of payment of principal of, or any premium or interest on, any note;

impair the right to institute suit for the enforcement of any payment on, or with respect to, any note;

modify the provisions with respect to our obligation to repurchase notes upon a fundamental change in a manner adverse to holders;

modify the subordination provisions in a manner adverse to holders;

adversely affect the right of holders to convert the notes other than as provided in the indenture;

reduce the percentage in principal amount of outstanding notes required for modification or amendment of the indenture; or

reduce the percentage in aggregate principal amount of outstanding notes necessary to take certain actions, including but not limited to, waiver of past defaults.

We and the trustee may amend or supplement the indenture or the notes without notice to, or the consent of, the holders to, among other things, cure any ambiguity, defect or inconsistency or make any other change that does not adversely affect the rights of any holder.

Satisfaction and Discharge

We may discharge our obligations under the indenture while notes remain outstanding if all outstanding notes have or will become due and payable at their scheduled maturity within one year and we have deposited with the trustee or a paying agent an amount sufficient to pay and discharge all outstanding notes on the date of their scheduled maturity; provided, however, that the foregoing will not discharge our obligation to effect the conversion, repurchase, registration of transfer or exchange of notes in accordance with the terms of the indenture.

Transfer and Exchange

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We have initially appointed the trustee as the security registrar, paying agent and conversion agent, acting through its corporate trust office. We reserve the right to:

vary or terminate the appointment of the security registrar, paying agent or conversion agent;

act as the paying agent;

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appoint additional paying agents or conversion agents; or

approve any change in the office through which any security registrar or any paying agent or conversion agent acts.

Purchase and Cancellation

All notes surrendered for payment, registration of transfer or exchange or conversion shall, if surrendered to any person other than the trustee, be delivered to the trustee. All notes delivered to the trustee will be cancelled promptly by the trustee. No notes will be authenticated in exchange for any notes cancelled as provided in the indenture.

We may repurchase the notes in the open market or by tender offer at any price or by private agreement. Any notes purchased by us may, to the extent permitted by law, be reissued or resold or may, at our option, be surrendered to the trustee for cancellation. Any notes surrendered for cancellation may not be reissued or resold and will be promptly cancelled. Any notes held by us or one of our subsidiaries will be disregarded for voting purposes in connection with any notice, waiver, consent or direction requiring the vote or concurrence of note holders.

Replacement of Notes

We will replace mutilated, destroyed, stolen or lost notes at a holder's expense upon delivery to the trustee of the mutilated notes or evidence of the loss, theft or destruction of the notes satisfactory to us and the trustee. In the case of a lost, stolen or destroyed note, indemnity satisfactory to the trustee and us may be required at the expense of the holder of such note before a replacement note will be issued.

Calculations in Respect of the Notes

We will be responsible for making many of the calculations called for under the notes. These calculations include, but are not limited to, determination of the sale price of our common stock in the absence of reported or quoted prices and adjustments to the conversion rate. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of the notes. We will provide a schedule of our calculations to the trustee and conversion agent, and the trustee and conversion agent are entitled to rely conclusively on the accuracy of our calculations without independent verification.

Reports

In the indenture, we have agreed to file with the trustee and transmit to holders of the notes such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the time and in the manner required by such act.

Governing Law

The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

Trustee

U.S. Bank National Association, as the trustee, has been appointed by us as security registrar, paying agent and conversion agent. The trustee is also the trustee under the indentures governing our 2.50% Convertible Subordinated Debentures due 2024 and our 2.50% Convertible Subordinated Notes due 2012. Computershare Shareholder Services, Inc. is the transfer agent and trustee for our common stock. The trustee or its affiliates may from time to time provide banking or other services to us in the ordinary course of business.

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Book-entry, Delivery and Form

We will initially issue the notes in the form of one or more global notes. Each global note will be deposited with the trustee as custodian for DTC and registered in the name of a nominee of DTC. Except as set forth below, each global note may be transferred, in whole and not in part, only to DTC or another nominee of DTC. Holders will hold their beneficial interests in each global note directly through DTC if they have an account with DTC or indirectly through organizations that have accounts with DTC. Notes in definitive certificated form (called "certificated securities") will be issued only in certain limited circumstances described below.

DTC has advised us that it is:

a limited purpose trust company organized under the laws of the State of New York;

a member of the Federal Reserve System;

a clearing corporation within the meaning of the New York Uniform Commercial Code; and

a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC was created to hold securities of institutions that have accounts with DTC (called "participants") and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, which may include the underwriters, banks, trust companies, clearing corporations and certain other organizations. Access to DTC's book-entry system is also available to others such as banks, brokers, dealers and trust companies (called the "indirect participants") that clear through or maintain a custodial relationship with a participant, whether directly or indirectly.

We expect that pursuant to procedures established by DTC, upon the deposit of each global note with DTC, DTC will credit, on its book-entry registration and transfer system, the principal amount of notes represented by such global note to the accounts of participants. The accounts to be credited will be designated by the underwriters. Ownership of beneficial interests in a global note will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in a global note will be shown on, and the transfer of those beneficial interests will be effected only through, records maintained by DTC (with respect to participants' interests), the participants and the indirect participants. The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These limits and laws may impair the ability to transfer or pledge beneficial interests in a global note.

Owners of beneficial interests in global notes who desire to convert their interests into our common stock should contact their brokers or other participants or indirect participants through whom they hold such beneficial interests to obtain information on procedures, including proper forms and cut-off times, for submitting requests for conversion.

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the notes represented by the global note for all purposes under the indenture and the notes. In addition, no owner of a beneficial interest in a global note will be able to transfer that interest except in accordance with the applicable procedures of DTC. Except as set forth below, as an owner of a beneficial interest in a global note, a holder will not be entitled to have the notes represented by the global note registered in its name, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered to be the owner or holder of any notes under the global note. We understand that under existing industry practice, if an owner of a beneficial interest in a global note desires to take any action that DTC, as the holder of the global note, is entitled to take, DTC would authorize the participants to take such action. Additionally, in such case, the participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

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We will make payments of principal of, premium, if any, and interest on the notes represented by the global note registered in the name of and held by DTC or its nominee to DTC or its nominee, as the case may be, as the registered owner and holder of the global note. Neither we, the trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in the global note or for maintaining, supervising or reviewing any records relating to such beneficial interests.

We expect that DTC or its nominee, upon receipt of any payment of principal of, premium, if any, or interest on the global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global note as shown on the records of DTC or its nominee. We also expect that payments by participants or indirect participants to owners of beneficial interests in the global note held through such participants or indirect participants will be governed by standing instructions and customary practices and will be the responsibility of such participants or indirect participants. We will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial interests in the global note for any note or for maintaining, supervising or reviewing any records relating to such beneficial interests or for any other aspect of the relationship between DTC and its participants or indirect participants or the relationship between such participants or indirect participants and the owners of beneficial interests in the global note owning through such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds.

We expect that DTC will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account the DTC interests in the global note is credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. However, if DTC notifies us that it is unwilling or unable to continue as a depository or ceases to be a clearing agency or there is an event of default under the notes, DTC will exchange the global note for certificated securities which it will distribute to its participants. Although we expect DTC to follow the foregoing procedures in order to facilitate transfers of interests in the global note among participants of DTC, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility or liability for the performance by DTC or the participants or indirect participants of their respective obligations under the rules and procedures governing their respective operations.

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CONCURRENT STOCK OFFERING

Concurrently with this offering, we are offering 3,662,556 shares of our common stock (up to 4,211,939 shares if the underwriters exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. It is possible that, based on market conditions, we may increase or decrease the aggregate principal amount of the notes offered hereby and increase or decrease the number of shares offered in our concurrent common stock offering or complete one offering without the other. In any event, through this offering and our concurrent common stock offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

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DESCRIPTION OF CAPITAL STOCK

The following summary is a description of the material terms of our common stock and does not purport to be complete. You should read our amended and restated certificate of incorporation and our amended and restated bylaws, which are incorporated by reference as exhibits to the registration statement of which this prospectus is a part. For information regarding how you can receive copies of these documents, please see [Where You Can Find More Information](#).

Common Stock

Our amended and restated certificate of incorporation provides that we have authority to issue up to 300,000,000 shares of common stock, par value \$0.001 per share. As of August 31, 2007, there were 32,030,738 shares of our common stock issued and outstanding. We expect to issue an additional 3,662,556 shares (up to 4,211,939 shares if the underwriters' over-allotment option is exercised in full) of common stock in our concurrent common stock offering.

The holders of common stock are entitled to one vote per share on all matters to be voted on by the stockholders. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the board of directors out of funds legally available for the payment of dividends. All dividends are non-cumulative. In the event of the liquidation, dissolution, or winding up of Equinix, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. The common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are fully paid and nonassessable, and shares of common stock to be issued upon conversion of the notes will be fully paid and nonassessable upon issuance.

Our common stock is quoted on the NASDAQ Global Select Market under the symbol **EQIX**.

Anti-takeover Effects of Provisions of the Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Delaware Law

Certificate of Incorporation and Bylaws. Our amended and restated certificate of incorporation and amended and restated bylaws provide that all stockholder actions must be effected at a duly called meeting and not by a consent in writing. The bylaws also provide that, except as otherwise required by law or by our amended and restated certificate of incorporation, special meetings of the stockholders can only be called pursuant to a resolution adopted by a majority of the number of authorized members of the board of directors. Further, provisions of the amended and restated certificate of incorporation provide that the stockholders may amend most provisions of the amended and restated certificate of incorporation only with the affirmative vote of at least 66²/₃% of our capital stock. Provisions of the amended and restated bylaws provide that the stockholders may amend all of the provisions of the bylaws only with the affirmative vote of at least 75% of our capital stock. In addition, our amended and restated certificate of incorporation and our amended and restated bylaws provide that the board of directors shall have the power to amend or repeal our bylaws. These provisions of our amended and restated certificate of incorporation and our amended and restated bylaws could discourage potential acquisition proposals and could delay or prevent a change in control of Equinix. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control of Equinix. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

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Delaware Takeover Statute. We are subject to Section 203 of the Delaware General Corporation Law, or DGCL Section 203, which regulates corporate acquisitions. DGCL Section 203 restricts the ability of certain Delaware corporations, including those whose securities are listed on NASDAQ, from engaging, under certain circumstances in a business combination with any interested stockholder for three years following the date that such stockholder became an interested stockholder. For purposes of DGCL Section 203, a business combination includes, among other things, a merger or consolidation involving Equinix and the interested stockholder and the sale of 10% or more of our assets. In general, DGCL Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person. A Delaware corporation may opt out of DGCL Section 203 with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from amendments approved by the holders of at least a majority of the corporation's outstanding voting shares. We have not opted out of the provisions of DGCL Section 203 in our amended and restated certificate of incorporation or our amended and restated bylaws. In connection with the combination, our board of directors approved such transactions for purposes of DGCL Section 203, the effect of which would not restrict us under DGCL Section 203 from entering into a business combination with STT Communications.

The transfer agent and registrar for the shares of our common stock is Computershare Shareholder Services, Inc.

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MATERIAL U.S. FEDERAL TAX CONSIDERATIONS

The following is a discussion of the material U.S. federal income tax considerations and certain estate tax consequences of the purchase, ownership and disposition of the notes and the common stock received upon conversion of the notes. This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations promulgated thereunder, judicial decisions, published positions of the Internal Revenue Service (IRS) and other applicable authorities, all as in effect as of the date on the front cover of this prospectus and all of which are subject to change, possibly with retroactive effect.

This discussion is limited to the U.S. federal tax consequences to holders who are beneficial owners of the notes or our common stock received upon conversion of the notes and who hold the notes or our common stock received upon conversion of the notes as capital assets within the meaning of Section 1221 of the Code (generally, for investment). In addition, this discussion is limited to the tax consequences to initial holders that purchase the notes at the issue price, which will equal the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the notes is sold for money.

This discussion does not address all of the tax consequences that may be relevant to a particular holder or to holders subject to special treatment under the Code, such as financial institutions, broker dealers, insurance companies, former U.S. citizens or long-term residents, tax-exempt organizations, persons that are, or that hold their notes or our common stock received upon conversion of the notes through, partnerships or other pass-through entities, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar, persons that hold notes or our common stock received upon conversion of the notes as part of a straddle, hedge, conversion, synthetic security or constructive sale transaction for U.S. federal income tax purposes, Non-U.S. Holders (as defined below) that own, or are deemed to own, more than 5% of our common stock or more than 5% of the fair market value of the notes, or Non-U.S. Holders that, on the date of acquisition of the notes, own notes with a fair market value of more than 5% of the fair market value of our common stock.

If a partnership holds the notes or our common stock received upon conversion of the notes, the tax treatment of a partner will depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the notes or our common stock received upon conversion of the notes, you are urged to consult your tax advisors.

Persons considering the purchase of notes or the conversion of notes for common stock should consult their own tax advisors concerning the application of U.S. federal income and other tax laws, as well as the law of any state, local or foreign taxing jurisdiction, to their particular situations.

For purposes of this discussion, a U.S. Holder means a beneficial owner of notes or our common stock received upon conversion of the notes and that for U.S. federal income tax purposes is:

a citizen or resident of the United States;

a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any of its states or the District of Columbia;

an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or

any trust if (a) the administration of the trust is subject to the primary supervision of a court in the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

A Non-U.S. Holder means any beneficial owner of a note or our common stock received upon conversion of the notes that is not a U.S. Holder.

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If you are considering buying the notes, we urge you to consult your tax advisor about the particular U.S. federal, state, local and foreign tax consequences of the acquisition, ownership and disposition of the notes and our common stock received upon conversion of the notes and the application of the U.S. federal income tax laws to your particular situation.

U.S. Holders

Interest. It is expected, and therefore this discussion assumes, that the notes will be issued without original issue discount for U.S. federal income tax purposes. Accordingly, a U.S. Holder of the notes will be required to include stated interest in income as ordinary income in accordance with the holder's method of accounting for U.S. federal income tax purposes. If, however, the notes' principal amount exceeds the issue price by more than a *de minimis* amount, as determined under applicable Treasury Regulations, then a U.S. Holder will be required to include such excess in income as original issue discount, as it accrues, in accordance with a constant-yield method based on a compounding of interest before the receipt of cash payments attributable to this income.

Disposition of the Notes. Upon the sale, exchange, retirement, repurchase or other taxable disposition of a note (other than a conversion as discussed below in "Conversion of the Notes"), a U.S. Holder will recognize capital gain or loss equal to the difference (if any) between the amount realized (other than amounts attributable to accrued but unpaid stated interest, which will be taxable as ordinary income if not previously included in such holder's income) and such U.S. Holder's tax basis in the note. The U.S. Holder's tax basis for a note will be the purchase price for the note. Such gain or loss will be treated as long-term capital gain or loss if the note was held for more than one year. Long-term capital gain recognized by certain non-corporate U.S. Holders, including individuals, will be subject to a reduced tax rate.

Exchange in Lieu of Conversion. If a U.S. Holder surrenders notes for conversion, the Company directs the notes to be offered to a financial institution for exchange in lieu of conversion, and the designated financial institution accepts the notes and delivers shares of our common stock in exchange for the notes, the holder will be taxed on the transfer as a sale or exchange of the notes, as described under "Disposition of the Notes" above. In such case, a U.S. Holder's tax basis in any common stock received will equal the fair market value of the stock on the date of the exchange, and the holder's holding period in any shares of common stock received will begin the day after the date of the exchange.

Conversion of the Notes.

A U.S. Holder will not recognize taxable gain or loss on the conversion (excluding shares allocable to accrued interest, which will be taxable as ordinary income if not previously included in such holder's income and cash received in lieu of a fractional share, as described below). The U.S. Holder's tax basis in the common stock (other than common stock allocable to accrued interest but including any tax basis allocable to a fractional share) will equal the U.S. Holder's tax basis in the notes. A U.S. Holder's tax basis in the common stock allocable to accrued interest will equal the fair market value of such stock on the date of conversion. The U.S. Holder's holding period for the common stock received will include the holding period for the notes (except for any common stock received allocable to accrued interest, which will have a holding period beginning on the day after conversion). Cash received in lieu of a fractional share upon conversion of the notes will generally be treated as a payment in exchange for such fractional share. Accordingly, the receipt of cash in lieu of a fractional share generally will result in capital gain or loss measured by the difference between the cash received for the fractional share and the U.S. Holder's tax basis allocable to such fractional share.

Adjustments to Conversion Rate. The conversion rate of the notes is subject to adjustment under certain circumstances (see "Description of Notes Anti-Dilution Adjustments" and "Adjustment to Conversion Rate upon Certain Changes of Control"). Certain adjustments to (or failures to make such adjustments to) the conversion rate of the notes that increase a U.S. Holder's proportionate interest in our assets or earnings and profits (including an adjustment to the conversion rate in connection with a change of control) may result in a

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taxable constructive distribution to the U.S. Holder, whether or not such holder ever converts the notes. This would occur, for example, upon an adjustment to the conversion rate to compensate U.S. Holders of notes for distributions of cash or property to our shareholders (but generally not distributions of stock or rights to subscribe for our common stock). Any such constructive distribution will be treated as a dividend for tax purposes, resulting in ordinary income, to the extent of our current or accumulated earnings and profits. As a result, U.S. Holders could have taxable income as a result of an event pursuant to which they receive no cash or property. It is unclear whether a constructive distribution to U.S. Holders of the notes would be eligible for the reduced tax rate applicable to certain dividends paid to non-corporate holders or for the dividends-received deduction applicable to certain dividends paid to corporate holders. A U.S. Holder's tax basis in a note will be increased to the extent any such constructive distribution is treated as a dividend. Moreover, if there is an adjustment (or a failure to make an adjustment) to the conversion rate of the notes that increases the proportionate interest of the U.S. Holders of outstanding common stock in our assets or earnings and profits, then such increase in the proportionate interest of the U.S. Holders of the common stock will be treated as a constructive distribution to such holders of common stock, taxable as described below. U.S. Holders should consult their tax advisors as to the tax consequences of receiving constructive distributions.

Distributions on Common Stock. Distributions paid on our common stock received upon conversion of a note, other than certain pro rata distributions of common shares, will be treated as a dividend to the extent paid out of current or accumulated earnings and profits and dividends will be taxed as ordinary income when received. If a distribution exceeds our current and accumulated earnings and profits, the excess will be first treated as a tax-free return of the U.S. Holder's investment, up to the U.S. Holder's tax basis in the common stock. Any remaining excess will be treated as a capital gain. Dividends received by a corporate U.S. Holder may qualify for a dividends-received deduction and dividends received by non-corporate U.S. Holders, including individuals, in tax years prior to 2011 may qualify for preferential rates of taxation; however, in each case, certain holding period and other limitations apply.

Disposition of Common Stock. Gain or loss realized by a U.S. Holder on the sale or other disposition of our common stock received upon conversion of a note will be capital gain or loss for U.S. federal income tax purposes, and will be long-term capital gain or loss if the U.S. Holder's holding period for the common stock is more than one year (including the U.S. Holder's holding period for the converted note, if applicable). Long-term capital gain recognized by non-corporate U.S. Holders, including individuals, will be subject to a reduced tax rate. The amount of the U.S. Holder's gain or loss will be equal to the difference between the U.S. Holder's tax basis in the common stock disposed of and the amount realized on the disposition.

Non-U.S. Holders

Interest. Subject to the discussion below concerning backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on payments of interest on a note, provided that:

the Non-U.S. Holder is not an actual or constructive owner of 10% or more of the total voting power of all our voting stock; a controlled foreign corporation related, directly or indirectly, to us through stock ownership; or a bank whose receipt of interest on a note is pursuant to a loan agreement entered into in the ordinary course of business;

such interest payments are not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States; and

we or our paying agent receives certain information from the Non-U.S. Holder (or a financial institution that holds the notes in the ordinary course of its trade or business), including certification that such holder is a Non-U.S. Holder on a properly executed IRS Form W-8BEN or other applicable IRS form.

A Non-U.S. Holder that is not exempt from tax under these rules will be subject to U.S. federal income tax withholding at a rate of 30% unless:

the income is effectively connected with the conduct of a U.S. trade or business (and is attributable to a U.S. permanent establishment under an applicable income tax treaty); or

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an applicable income tax treaty provides for a lower rate of, or exemption from, withholding tax.

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Interest on a note that is effectively connected with the conduct by a Non-U.S. Holder of a trade or business in the United States and, if the Non-U.S. Holder is entitled to the benefits under an applicable income tax treaty, attributable to a permanent establishment or a fixed base in the United States, will be subject to U.S. federal income tax on a net basis at the rates applicable to U.S. persons (and, if received by corporate holders, may also be subject to a 30% branch profits tax unless reduced or prohibited by an applicable income tax treaty). If interest is subject to U.S. federal income tax on a net basis in accordance with the rules described in the preceding sentence, payments of such interest will not be subject to U.S. withholding tax so long as the Non-U.S. Holder provides us or the paying agent with a properly executed IRS Form W-8ECI. To claim the benefit of an applicable income tax treaty, the Non-U.S. Holder must timely provide the appropriate and properly executed IRS forms.

Conversion of Notes. A Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on the conversion of the notes. To the extent a Non-U.S. Holder realizes any gain as a result of the receipt of cash in lieu of a fractional share upon conversion, such gain would be subject to the rules described below under **Disposition of Notes or Common Stock** with respect to the sale or exchange of our common stock. To the extent that a Non-U.S. Holder receives upon conversion common shares attributable to accrued interest not previously included in income, such shares would be subject to the rules described above for interest.

Adjustments to Conversion Rate. The conversion rate of the notes is subject to adjustment in certain circumstances. Any such adjustment (or failure to make such adjustment) could, in certain circumstances, give rise to a deemed distribution to Non-U.S. Holders. See **U.S. Holders Adjustments to Conversion Rate** above. In such case, the deemed distribution would be subject to the rules described below under **Distributions on Common Stock** regarding taxation and withholding of U.S. federal income tax on dividends in respect of common shares. Any resulting withholding tax attributable to deemed dividends would be collected from interest payments made on the notes or from the proceeds on sale or conversion of the notes.

Distributions on Common Stock. Dividends paid on our common stock to a Non-U.S. Holder will be subject to U.S. withholding tax at a 30% rate, subject to reduction under an applicable income tax treaty. In order to obtain a reduced rate of withholding, a Non-U.S. Holder will be required to provide a properly executed IRS Form W-8BEN (or applicable successor form) certifying its entitlement to benefits under an applicable income tax treaty.

A Non-U.S. Holder who is subject to withholding tax should consult its own tax advisor as to whether it can obtain a refund for all or a portion of the withholding tax.

Dividends on our common stock (or constructive dividends, see **Adjustments to Conversion Rate** above) that are effectively connected with the conduct by a Non-U.S. Holder of a trade or business in the United States and, if the Non-U.S. Holder is entitled to the benefits under an applicable tax treaty, attributable to a permanent establishment or a fixed base in the United States, will be subject to U.S. federal income tax on a net basis at the rates applicable to U.S. persons (and, if received by corporate holders, may also be subject to a 30% branch profits tax unless reduced or prohibited by an applicable income tax treaty). If dividends (or constructive dividends) are subject to U.S. federal income tax on a net basis in accordance with the rules described in the preceding sentence, payments of dividends will not be subject to U.S. withholding tax so long as the Non-U.S. Holder provides us or the paying agent with a properly executed IRS Form W-8ECI. To claim the benefit of an applicable income tax treaty, the Non-U.S. Holder must timely provide the appropriate and properly executed IRS forms.

Disposition of Notes or Common Stock. Subject to the rules described below under **Information Reporting and Backup Withholding**, a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on gain from the sale or other taxable disposition of a note or common shares unless:

such gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States and, if the Non-U.S. Holder is entitled to the benefits under an applicable income tax treaty, attributable to a permanent establishment or a fixed base in the United States;

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such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and meets certain other requirements; or

we are or have been a U.S. real property holding corporation at any time within the shorter of the five-year period preceding such sale or other taxable disposition and the period during which the Non-U.S. Holder held the notes or common shares. We believe that we are currently not a U.S. real property holding corporation for U.S. federal income tax purposes, but there is no assurance that we will not become one in the future. If we become a U.S. real property holding corporation, any gain realized on such sale or other taxable disposition by a Non-U.S. Holder will be subject to U.S. federal income tax if our common stock ceases to be regularly traded on an established securities market (as defined in the applicable Treasury regulations) prior to the beginning of the calendar year in which the disposition occurs.

Except to the extent provided by an applicable income tax treaty, a Non-U.S. Holder will be subject to U.S. federal income tax with respect to gain from the sale or disposition of a note or shares of common stock that is effectively connected with the conduct by the holder of a trade or business in the United States (and Non-U.S. Holders that are corporations may also be subject to a 30% branch profits tax unless reduced or prohibited by an applicable income tax treaty). If such gain is realized by a Non-U.S. Holder who is an individual present in the United States for 183 days or more in the taxable year of disposition and who meets certain other requirements, then such individual will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which capital gains from U.S. sources (including gains from the sale or other disposition of the notes or shares of our common stock) exceed capital losses allocable to U.S. sources. To claim the benefit of an applicable income tax treaty, the Non-U.S. Holder must timely provide the appropriate and properly executed IRS forms.

Federal Estate Tax. Individual Non-U.S. Holders and entities the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), should note that, absent an applicable treaty benefit, a note will be treated as U.S. situs property subject to U.S. federal estate tax if payments on the note, if received by the decedent at the time of death, would have been subject to U.S. federal withholding tax (even if the IRS Form 8-BEN certification requirement described above were satisfied) or effectively connected to the conduct by the holder of a trade or business in the United States.

Individual Non-U.S. Holders and entities the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), should note that, absent an applicable treaty benefit, the common stock will be treated as U.S. situs property subject to U.S. federal estate tax.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with payments on the notes and on the common stock and the proceeds from a sale or other disposition of the notes or the common stock. A U.S. Holder may be subject to U.S. backup withholding tax on these payments if it fails to provide its taxpayer identification number to the paying agent and comply with certification procedures or otherwise establish an exemption from backup withholding. A Non-U.S. Holder may be subject to U.S. information reporting and backup withholding tax on these payments unless the Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person. The certification procedures required of Non-U.S. Holders to claim the exemption from withholding tax on interest, described above, will satisfy the certification requirements necessary to avoid the backup withholding tax. Copies of applicable IRS information returns may be made available, under the provisions of an applicable income tax treaty or agreement, to the tax authorities of the country in which the Non-U.S. Holder resides. The amount of any backup withholding from a payment will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

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Citigroup Global Markets Inc. is acting as sole book-running manager of the offering and as representative of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter's name.

Underwriter	Principal Amount of Notes
Citigroup Global Markets Inc.	\$
Credit Suisse Securities (USA) LLC	
Jefferies & Company, Inc.	
UBS Securities LLC	
Barclays Capital Inc	
 Total	 \$ 300,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all of the notes if they purchase any of the notes.

The underwriters propose to offer some of the notes directly to the public at the public offering price set forth on the cover page of this prospectus and some of the notes to dealers at the public offering price less a concession not to exceed _____% of principal amount of the notes. After the initial offering of the notes to the public, the representative may change the public offering price and concessions.

We have granted to the underwriters an over-allotment option, exercisable for 30 days from the date of this prospectus, to purchase up to \$45,000,000 additional aggregate principal amount of notes at the offering price less the underwriting discount. The underwriters may exercise the option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent the option is exercised, each underwriter must purchase a principal amount of additional notes approximately proportionate to that underwriter's initial purchase commitment.

We and each of our executive officers and directors have agreed that, for a period of 90 days from the date of this prospectus, we and they will not, without the prior written consent of Citigroup, dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for our common stock, subject to certain exceptions, including:

sales of up to an aggregate of 100,000 shares of common stock by our executive officers and directors;

transfers by our executive officers or directors to family members or family trusts provided that any such transferee agrees to be bound by the lock-up agreement;

programmatic sales by our executive officers pursuant to existing plans established by our executive officers pursuant to Rule 10b5-1 under the Exchange Act;

entry into new plans established by our executive officers pursuant to Rule 10b5-1 under the Exchange Act provided that no sales occur prior to the expiration of the lock-up period; and

our issuance of up to 500,000 shares in connection with future acquisitions if any.

Citigroup in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

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The following table shows the underwriting discounts that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option to purchase additional notes.

Per note	Paid by Equinix	
	No Exercise	Full Exercise
Total	\$	\$

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of notes in excess of the principal amount of notes to be purchased by underwriters in the offering, which creates a syndicate short position. Covered short sales are sales of notes made in an amount up to the principal amount represented by the underwriters' over-allotment option. In determining the source of notes to close out the covered syndicate short position, the underwriters will consider, among other things, the price of notes available for purchase in the open market as compared to the price at which they may purchase notes through the over-allotment option. Transactions to close out the covered syndicate short involve either purchase of the notes in the open market after the distribution has been completed or the exercise of the over-allotment option. The underwriters may also make naked short sales of notes in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing notes in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the notes in the open market after pricing that would adversely affect investors who purchase in the offering. Stabilizing transactions must consist of bids for or purchases of notes in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when Citigroup, in covering syndicate short positions or making stabilizing purchases, repurchases notes originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or regarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that the total expenses of this offering will be \$450,000. The underwriters have agreed to reimburse us for a portion of these expenses.

The underwriters or their affiliates have performed investment banking, commercial banking and advisory services for us from time to time for which they have received customary fees and expenses. Specifically, Citigroup and/or its affiliates (i) acted as our advisor in connection with the IXEurope acquisition, (ii) is the agent under the bridge loan and (iii) was the sole book-running manager of the offering of our 2.50% Convertible Subordinated Notes due 2012 and one of the initial purchasers of our 2.50% Convertible Subordinated Debentures due 2024. Credit Suisse and Jefferies & Company were underwriters of the offering of our 2.50% Convertible Subordinated Notes due 2012. In addition, all of the underwriters participating in this offering other than Barclays Capital are also acting as underwriters in our concurrent common stock offering for which they will receive customary underwriting discounts and commissions. The underwriters may, from time to time in the future, engage in transactions with and perform services for us in the ordinary course of their business.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters.

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We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of notes described in this prospectus may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the notes that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of notes may be offered to the public in that relevant member state at any time:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in notes or

to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive. Each purchaser of notes described in this prospectus located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an offer to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

The sellers of the notes have not authorized and do not authorize the making of any offer of notes through any financial intermediary on their behalf, other than offers made by the underwriter with a view to the final placement of the notes as contemplated in this prospectus. Accordingly, no purchaser of the notes, other than an underwriter, is authorized to make any further offer of the notes on behalf of the sellers or an underwriter.

Notice to Prospective Investors in the United Kingdom

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Qualified Investors) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This prospectus and its contents should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

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Notice to Prospective Investors in France

Neither this prospectus nor any other offering material relating to the notes described in this prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or by the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the notes has been or will be

released, issued, distributed or caused to be released, issued or distributed to the public in France or

used in connection with any offer for subscription or sale of the notes to the public in France.

Such offers, sales and distributions will be made in France only

to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle qualifiés*), in each case investing for their own account, all as defined in, and in accordance with, Article L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier* or

to investment services providers authorized to engage in portfolio management on behalf of third parties or

in a transaction that, in accordance with article L.411-2-II-1^o-or-2^o-or 3^o of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the Autorité des Marchés Financiers, does not constitute a public offer (*appel public à l'épargne*).

The notes may be resold directly or indirectly, only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Notice to Prospective Investors in Japan

Each underwriter has represented, warranted and agreed that the notes offered in this prospectus have not been registered under the Securities and Exchange Law of Japan, and it has not offered or sold and will not offer or sell, directly or indirectly, the notes in Japan or to or for the account of any resident of Japan, except (1) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (2) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Hong Kong

Each underwriter has represented, warranted and agreed that it has not offered or sold and will not offer or sell notes in Hong Kong SAR by means of this prospectus or any other document, other than to persons whose ordinary business involves buying or selling shares or debentures, whether as principal or agent or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong SAR), and (2) unless it is a person who is permitted to do so under the securities laws of Hong Kong SAR, it has not issued or held for the purpose of issue in Hong Kong and will not issue or hold for the purpose of issue in Hong Kong SAR this prospectus, any other offering material or any advertisement, invitation or document relating to the notes, otherwise than with respect to notes intended to be disposed of to persons outside Hong Kong SAR or only to persons whose business involves the acquisition, disposal, or holding of securities, whether as principal or as agent.

Notice to Prospective Investors in Singapore

Each underwriter has represented, warranted and agreed that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes, may not be

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circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (1) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (2) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

LEGAL MATTERS

Certain legal matters will be passed upon for Equinix by Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP, Menlo Park, California and Shearman & Sterling LLP, San Francisco, California. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell, Menlo Park, California.

EXPERTS

The audited financial statements of Equinix, Inc. and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control Over Financial Reporting) incorporated in this prospectus by reference to Equinix, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2006 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of IXEurope plc included in Equinix, Inc.'s Current Report on Form 8-K filed on September 14, 2007 and incorporated by reference in this prospectus have been audited by BDO Stoy Hayward LLP, an independent registered public accounting firm, to the extent and for the periods set forth in their report incorporated herein by reference, and are incorporated herein in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

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\$300,000,000

Equinix, Inc.

% Convertible Subordinated Notes due 2014

PROSPECTUS

September , 2007

Citi

Credit Suisse

Jefferies & Company

UBS Investment Bank

Barclays Capital

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution.**

The following table sets forth all expenses, other than the underwriting discounts and commissions, payable by the Registrant in connection with the sale of the securities being registered. All the amounts shown are estimates except for the registration fee.

Securities and Exchange Commission Registration Fee	\$	*
Legal Fees and Expenses	\$	257,500
Accounting Fees and Expenses	\$	75,000
Transfer Agent and Registrar Fees	\$	5,000
Printing and Engraving Expenses	\$	100,000
Miscellaneous	\$	*
Total	\$	*

* Omitted because the registration fee is being deferred pursuant to Rule 456(b).

Item 15. Indemnification of Officers and Directors.

Section 145 of the Delaware General Corporation Law authorizes a court to award or a corporation's board of directors to grant indemnification to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Act"). Article VI of the Registrant's Amended and Restated Bylaws provides for mandatory indemnification of its directors and officers and those serving at the Registrant's request as directors, officers, employees or agents of other organizations to the maximum extent permitted by the Delaware General Corporation Law. The Registrant's Amended and Restated Certificate of Incorporation provides that, pursuant to Delaware law, its directors shall not be liable for monetary damages for breach of the directors' fiduciary duty as directors to the Registrant and its stockholders. This provision in the Amended and Restated Certificate of Incorporation does not eliminate the directors' fiduciary duty, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to the Registrant for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws. The Registrant has entered into indemnification agreements with its officers and directors. The indemnification agreements provide the Registrant's officers and directors with further indemnification to the maximum extent permitted by the Delaware General Corporation Law. The Registrant maintains liability insurance for its directors and officers.

Item 16. Exhibits.

Exhibit Number	Exhibit Description
1.1	Form of Underwriting Agreement
4.4	Form of Indenture for Convertible Subordinated Notes due 2014

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- 4.5 Form of Convertible Subordinated Note due 2014 (see exhibit 4.4)
- 5.1 Opinion of Shearman & Sterling LLP

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Exhibit Number	Exhibit Description
12.1	Computation of Ratio of Earnings to Fixed Charges
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm
23.2	Consent of BDO Stoy Hayward LLP, Independent Registered Public Accounting Firm
23.3	Consent of Shearman & Sterling LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page of Registration Statement)
25.1	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of U.S. Bank National Association, as Trustee under the Indenture for the Convertible Subordinated Notes due 2014

Item 17. Undertakings.

The undersigned Registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

4. That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

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- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
5. That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:
- (i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
- (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or
- (6) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (7) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.
- (8) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of section 310 of the Trust Indenture Act (Act) in accordance with the rules and regulations prescribed by the Commission under section 305(b)2 of the Act.

Table of Contents**SIGNATURES FORM S-3**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Foster City, State of California, on this 14th day of September, 2007.

EQUINIX, INC.

By: /s/ **STEPHEN M. SMITH**
Stephen M. Smith

Chief Executive Officer and President**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Stephen M. Smith and Keith D. Taylor, and each of them, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to sign any registration statement for the same offering covered by this Registration Statement that is to be effective on filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ STEPHEN M. SMITH Stephen M. Smith	Chief Executive Officer and President (Principal Executive Officer) and Director	September 14, 2007
/s/ KEITH D. TAYLOR Keith D. Taylor	Chief Financial Officer (Principal Financial and Accounting Officer)	September 14, 2007
/s/ STEVEN T. CLONTZ Steven T. Clontz	Director	September 14, 2007
/s/ STEVEN P. ENG Steven P. Eng	Director	September 14, 2007
/s/ GARY F. HROMADKO Gary F. Hromadko	Director	September 14, 2007
Scott G. Kriens	Director	
/s/ IRVING F. LYONS, III	Director	September 14, 2007

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Irving F. Lyons, III		
/s/ CHRISTOPHER B. PAISLEY	Director	September 14, 2007
Christopher B. Paisley		
/s/ PETER F. VAN CAMP	Executive Chairman of the Board	September 14, 2007
Peter F. Van Camp		

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