EQUINIX INC
Form 424B2
March 01, 2013
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-186938

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
4.875% Senior Notes due 2020	$500,000,000	$68,200
5.375% Senior Notes due 2023	$1,000,000,000	$136,400

(1) Calculated pursuant to Rule 457(r) under the Securities Act at the statutory rate of $136.40 per $1,000,000 of securities registered and relating to the Registration Statement on Form S-3ASR (No. 333-186938) filed by Equinix, Inc. on February 28, 2013

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Prospectus

Equinix, Inc.

$500,000,000 4.875% Senior Notes due 2020

Issue Price 100%

$1,000,000,000 5.375% Senior Notes due 2023

Issue Price 100%

Interest payable April 1 and October 1.

We are offering $500,000,000 aggregate principal amount of 4.875% Senior Notes due 2020 (the 2020 notes) and $1,000,000,000 aggregate principal amount of 5.375% Senior Notes due 2023 (the 2023 notes and together with the 2020 notes, the notes). The 2020 notes will mature on April 1, 2020 and the 2023 notes will mature on April 1, 2023. Interest will accrue on the notes from March 5, 2013 and the first interest payment date will be October 1, 2013. We may redeem all or a part of the 2020 notes on or after April 1, 2017 and the 2023 notes on or after April 1, 2018, on any one or more occasions, at the redemption prices set forth under Description of Notes Redemption, plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date. In addition, at any time prior to April 1, 2016, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of each of the 2020 notes and the 2023 notes outstanding under the respective indenture with the net cash proceeds of one or more equity offerings. At any time prior to April 1, 2017 with respect to the 2020 notes and April 1, 2018 with respect to the 2023 notes, we may also redeem all or a part of the notes at a redemption price equal to 100% of the principal amount of notes redeemed plus a make-whole premium as of, and accrued and unpaid interest, if any, to, but not including, the date of redemption. We intend to use the net proceeds of the offering to redeem our outstanding 8.125% senior notes due 2018 pursuant to the optional redemption provisions of such notes and for general corporate purposes, which may include capital expenditures, distributions to our stockholders in connection with our proposed conversion to a real estate investment trust, working capital and potential acquisitions and strategic transactions.

The notes will be our general senior obligations and will rank equal in right of payment to all of our existing and future senior indebtedness. Upon a change in control, we will be required to make an offer to purchase each holder s notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of purchase.

The notes will not be guaranteed by any of our subsidiaries. The obligations to make payments of principal and interest on the notes are solely our obligations. Therefore, the notes will be structurally subordinated to any obligation of our subsidiaries that are not guarantors.

We have not applied, and do not intend to apply, for the listing of the notes on any exchange or automated dealer quotation system. Currently, there is no public market for the notes.

Investing in the notes involves risks. See Risk Factors beginning on page 13 of this prospectus.

	Per 2020 note	2020 notes total	Per 2023 note	2023 notes total
Public Offering Price(1)	100.00%	$ 500,000,000	100.00%	$ 1,000,000,000
Underwriting Discounts and Commissions	1.20%	$ 6,000,000	1.20%	$ 12,000,000
Proceeds to Equinix, Inc. (before expenses)(1)	98.80%	$ 494,000,000	98.80%	$ 988,000,000

(1) Plus accrued interest, if any, from March 5, 2013.

We expect to deliver the notes to purchasers on or about March 5, 2013, only in book-entry form through the facilities of The Depository Trust Company.

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.

Joint Book-Running Managers

J.P. Morgan **Barclays** **Citigroup**

BofA Merrill Lynch **Deutsche Bank Securities**

Co-Managers

Evercore Partners **Goldman, Sachs & Co.** **HSBC**

RBC Capital Markets **UBS Investment Bank**

February 28, 2013

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We and the underwriters have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus or any relevant free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer or sale of notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in or incorporated by reference into this prospectus is accurate only as of the date appearing on the front cover of this prospectus or the date of the applicable incorporated document. Our business, financial condition, results of operations and prospects may have changed since that date.

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About the prospectus

This prospectus incorporates important business and financial information about us and our subsidiaries 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 One Lagoon Drive, Fourth Floor, Redwood City, CA 94065, Attention: Investor Relations, or by telephone at (650) 598-6000.

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.

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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.

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. Such transactions may include stabilization and the purchase of notes to cover short positions. For a description of these activities, see Underwriting.

References to Equinix, the Company, we, our and us and similar terms mean Equinix, Inc., a Delaware corporation, and its consolidated subsidiaries, unless the context otherwise requires.

References to the notes mean the Senior Notes due 2023 offered hereby, unless the context otherwise requires.

Forward-looking statements

This prospectus, including the documents incorporated by reference herein, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements contained in this prospectus or incorporated by reference herein are based upon current expectations that involve risks and uncertainties. Any statements contained in this prospectus or incorporated by reference herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, the words believes, anticipates, plans, expects, intends and similar expressions are intended to ide forward-looking statements. Our actual results and the timing of certain events may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a discrepancy include, but are not limited to, those discussed in the Risk Factors section, in addition to the other information set forth in this prospectus and incorporated by reference herein. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements. All forward-looking statements contained in this prospectus or incorporated by reference herein are based on information available to us as of the date hereof and we assume no obligation to update any such forward-looking statements. Our 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.

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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 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 current 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 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 prior to the termination of the offering under this prospectus:

Current Report on Form 8-K, filed on February 21, 2013.

Annual Report on Form 10-K for the fiscal year ended December 31, 2012, filed on February 26, 2013.

We are not, however, incorporating by reference any documents or portions thereof, whether specifically listed above or filed in the future, that are not deemed filed with the SEC, including any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K or certain exhibits furnished pursuant to Item 9.01 of Form 8-K.

You may request, and we will provide you with, a copy of these filings, at no cost, by calling us at (650) 598-6000 or by writing to us at the following address:

Equinix, Inc.

One Lagoon Drive, Fourth Floor

Redwood City, CA 94065

Attn: Investor Relations

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Prospectus summary

This summary highlights 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 Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2012 (the 2012 Annual Report) which is incorporated by reference into this prospectus, and the other documents incorporated by reference into this prospectus, before making a decision whether to invest in the notes.

Overview

Equinix, Inc. connects more than 4,000 companies directly to their customers and partners inside the world s most networked data centers. Today, businesses leverage the Equinix interconnection platform in 31 strategic markets across the Americas, Europe, Middle East and Africa (EMEA) and Asia-Pacific. Platform Equinix combines state-of-the-art International Business Exchange® (IBX®) data centers, a global footprint and unique ecosystems. Together these components accelerate business growth for our customers by safehousing their infrastructure, locating their assets and applications closer to users to improve performance and enabling them to collaborate with the widest variety of partners and customers. More than 4,000 enterprise, cloud, digital content and financial companies connect to more than 900 network service providers and rely on Platform Equinix to grow their business, improve application performance and protect their vital digital assets. For the year ended December 31, 2012 we had revenue of $1,895.7 million, net income attributable to Equinix of $144.7 million and adjusted EBITDA of $895.7 million. For a discussion of our primary non-GAAP metric, adjusted EBITDA, including a reconciliation to GAAP financial measures, see our non-GAAP financial measures discussion in Management s Discussion and Analysis of Financial Condition and Results of Operations in the 2012 Annual Report which is incorporated by reference in this prospectus.

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

Colocation offerings include operations space, storage space, cabinets and power for customers colocation needs.

Interconnection offerings include cross connects, as well as switch ports on the Equinix Internet Exchange and Equinix Carrier Ethernet Exchange services. These offerings provide scalable and reliable connectivity that allows customers to exchange traffic directly with the service provider of their choice or directly with each other, creating a performance-optimized business ecosystem for the exchange of data between strategic partners.

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

Our network-neutral business model contributes to our success in the market. We offer customers direct interconnection to an aggregation of bandwidth providers, rather than focusing

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on selling a particular network, including the world s top carriers, Internet Service Providers (ISPs), broadband access networks (DSL / cable) and international carriers. Neutrality also means our customers can choose to buy from, or partner with, leading companies across our five targeted verticals. These include:

- Network and Mobility Providers (AT&T, British Telecom, Comcast, Level 3 Communications, NTT, Qwest, SingTel, Syniverse, Verizon Business)
- Cloud and IT Services (Amazon.com, Box.net, Carpathia, Citrix, IBM, Microsoft, Salesforce.com, Voxel.net, WebEx)
- Content Providers (eBay, DIRECTV, Facebook, Hulu, Priceline, SONY, Yahoo!, Zynga)
- Enterprise (Barnes & Noble, Booz Allen Hamilton, Deloitte, The GAP, Ingram Micro, The McGraw-Hill Companies, United Stationers Inc.)
- Financial Companies (ACTIV Financial, Bloomberg, CBOE, DirectEdge, JP Morgan Chase, Quantlab Financial, Thomson Reuters)

Internet connectivity and the ability to efficiently distribute digital content or offerings across multiple networks to a global audience are core strategic requirements to an increasing number of businesses today. Customer demand for highly reliable, secure, network-neutral data center and colocation facilities continues to expand. We believe the factors contributing to the growth in demand for our offerings include:

- The continuing growth of consumer Internet traffic from new bandwidth-intensive services, such as video, VoIP, social media, mobile data, gaming, data-rich media, Ethernet and wireless services.
- Significant increases in power and cooling requirements for today s data center equipment. New generations of servers continue to concentrate processing capability, with associated power consumption and cooling load, into smaller footprints and many legacy-built data centers are unable to accommodate these new power and cooling demands.
- The adoption of cloud computing technology services, the growth of enterprise applications delivered across communications networks, such as Software-as-a-Service (SaaS), and disaster recovery services.
- The financial services market is experiencing tremendous growth due to electronic trading and the increased volume of peak messages (transactions per second), requiring optimized data exchange through business ecosystems.
- The growth of proximity communities that rely on immediate physical colocation and interconnection with their strategic partners and customers, such as financial exchange ecosystems for electronic trading and settlement.
- The high capital costs associated with building and maintaining in-sourced data centers creates an opportunity for capital savings by leveraging an outsourced colocation model.

Due to the increasing cost and complexity of the power and cooling requirements of today s data center equipment, we have gained many customers that have outgrown their existing data centers or that have realized the benefits of a network-neutral model and the ability to create

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their own optimized business ecosystems for the exchange of data. Strategically, we will continue to look at attractive opportunities to grow market share and selectively expand our footprint and offerings. We continue to leverage our global reach and depth to differentiate based upon our ability to support truly global customer requirements in all our markets.

Our value proposition

More than 4,000 companies, including a diversified mix of cloud and IT service providers, content providers, enterprises, financial companies, and network and mobility service providers, currently operate within our IBX data centers. These companies derive specific value from the following elements of our offering:

Comprehensive global solution: With over 90 IBX data centers in 31 markets in the Americas, EMEA and Asia-Pacific regions, we offer a consistent global solution.

Premium data centers: Our IBX data centers feature advanced design, security, power and cooling elements to provide customers with industry-leading reliability. While others in the market have business models that include additional offerings, we are focused on colocation and interconnection as our core competencies.

Dynamic business ecosystems: Our network-neutral model has enabled us to attract a critical mass of networks and cloud and IT services providers, which in turn attracts other businesses seeking to interconnect within a single location. This ecosystem model, versus connecting to multiple partners in disparate locations, reduces costs and optimizes the performance of data exchange. As we grow and attract an even more diversified base of customers, the value of our IBX data center offering increases.

Improved economics: Customers seeking to outsource their data center operations rather than build their own capital-intensive data centers enjoy significant capital cost savings in this credit-challenged economic environment. Customers also benefit from improved economics on account of the broad access to networks that we provide. Rather than purchasing costly local loops from multiple transit providers, customers can connect directly to more than 900 networks inside our IBX data centers.

Leading insight: With more than 14 years of industry experience, we have a specialized staff of industry experts and solutions architects who helped build and shape the interconnection infrastructure of the Internet. This specialization and industry knowledge base offer customers a unique consultative value and a competitive advantage.

Our strategy

Our objective is to expand our global leadership position as the premier network neutral data center platform for cloud and IT services providers, content providers, financial companies, enterprises and network and mobility services providers. Key components of our strategy include the following:

Improve customer performance through interconnection. We have assembled a critical mass of premier network providers and content companies and have become one of the core hubs of the information-driven world. This critical mass is a key selling point for companies that want to connect with a diverse set of networks to provide the best connectivity to their end-customers and network companies that want to sell bandwidth to companies and interconnect with other networks in the most efficient manner available. Currently, we house more than 900 unique networks, including all of the top tier networks, allowing our customers to directly interconnect with providers that serve more than 90% of global Internet routes. We have a growing mass of key players in the cloud and IT services, and in the enterprise and financial sectors, such as Bloomberg, Facebook, The GAP, IBM, Salesforce.com, SONY and others. We expect that these segments will continue to grow as they seek to leverage our critical mass of network providers and interconnect directly with each other to improve performance.

Streamline ease of doing business globally. Data center reliability, power availability and network choice are the most important attributes considered by our customers when they are choosing a data center provider in a particular location. We have long been recognized as a leader in these areas and our performance continues to improve against these criteria. Our power infrastructure delivered 99.999% uptime globally in 2012.

In 2012, more than half of our revenue came from customers with deployments across two or more of our global regions, and as globalization continues, seamless global solutions will become an increasingly important data center selection criteria. We continue to focus on strategic acquisitions to expand our market coverage and global product standardization, pricing and contracts harmonization initiatives to meet these global demands.

Deepen existing and grow new ecosystems. As networks, cloud and IT services providers, content providers, financial services providers and other enterprises locate in our IBX data centers, it benefits their suppliers and business partners to do so as well to gain the full economic and performance benefits of direct interconnection for their business ecosystems. These partners, in turn, pull in their business partners, creating a network effect of customer adoption. Our interconnection offerings enable scalable, reliable and cost-effective interconnection and optimized traffic exchange thus lowering overall cost and increasing flexibility. The ability to directly interconnect with a wide variety of companies is a key differentiator for us in the market. We are rolling out efficient and innovative Internet and Ethernet exchange platforms to accelerate commercial growth in our sites and accelerate this network effect.

Expand vertical go-to-market plan. We plan to continue to focus our go-to-market efforts on customer segments and business applications that value our value proposition of reliability, global reach and ecosystem collaboration opportunities. Today we have identified these segments as cloud services, content and digital media, financial services, enterprises and IT services and network and mobility service providers. As digital business evolves, we will continue to identify and focus our go-to-market efforts on industry segments that need our value proposition.

Accelerate global reach and scale. We continue to evaluate expansion opportunities in select markets based on customer demand. In 2012, we successfully acquired ancotel GmbH in Frankfurt, Germany and Asia Tone in Hong Kong to expand our market reach in central and eastern Europe and Shanghai, China, respectively. Also in 2012, we entered into a partnership with PT DCI to enter the Jakarta, Indonesia market and an alliance with Emirates Integrated Telecommunications Company PJSC to expand into Dubai, United Arab Emirates.

Our strategy is to continue to grow in select existing markets and possibly expand to additional markets where demand and financial return potential warrant. We expect to execute this

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expansion strategy in a cost-effective and disciplined manner through a combination of acquiring existing data centers by lease or purchase, acquiring or investing in local data center operators and building new IBX data centers based on key criteria, such as demand and potential financial return, in each market.

REIT conversion

In September 2012, we announced that our board of directors approved a plan for Equinix to pursue conversion to a real estate investment trust (REIT). If we are ultimately successful in the conversion process, we expect to elect REIT status for our taxable year beginning January 1, 2015.

We are seeking a private letter ruling (PLR) from the Internal Revenue Service (the IRS) in connection with our proposed REIT conversion. Our PLR request seeks favorable rulings from the IRS on numerous technical tax issues, including classification of our data center assets as qualified real estate assets. Even after utilization of available net operating loss carry forwards (NOLs), classifying our assets as real estate is expected to result in a tax liability due to the reclassification to real property of certain assets that had been depreciated and amortized as personal property and the resulting recapture of depreciation and amortization expenses. The total recapture of depreciation and amortization expenses across all relevant assets is expected to result in U.S. tax liabilities of approximately $340 to $420 million, which amount will be payable in the four-year period starting 2012 even if we abandon our plan to convert to a REIT for any reason, including the failure to receive the PLR we are seeking. As we used our NOLs to offset a portion of these tax liabilities, we utilized all of our NOLs in 2012.

In accordance with tax rules applicable to REIT conversions, we expect to issue a special distribution to Equinix stockholders of undistributed accumulated earnings and profits (the E&P distribution) of approximately $700 to $1,100 million, which we expect to pay out in a combination of up to 20% in cash and at least 80% in shares of our common stock. We expect to make the E&P distribution only after receiving a favorable PLR from the IRS and anticipate making a significant portion of the E&P distribution before 2015, with the balance to be distributed in 2015. In addition, we intend to declare regular distributions to our stockholders if we convert to a REIT.

We expect, in addition to our E&P distribution and recapture of depreciation and amortization expenses, to incur approximately $50 to $80 million in costs to support the conversion process. If the conversion is ultimately successful, we expect to incur additional annual compliance costs of approximately $5 to $10 million.

We will consider the issuance of additional debt and/or equity in the future to support projected conversion-related cash requirements, including stockholder distributions, tax payments and other conversion costs noted above.

We believe that we can meet the operational and technical REIT requirements by reorganizing our operations to facilitate qualification as a REIT. As part of this reorganization, we expect to structure our U.S. operations and a portion of our international operations as Qualified REIT Subsidiaries (QRS). In addition to other actions required in connection with the proposed REIT conversion, we will be required to obtain stockholder approval to effect the necessary corporate reorganization, including the addition of a provision in our charter to establish REIT-related

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ownership restrictions. We can provide no assurance if or when conversion to a REIT will be successful. Should we fail to complete the conversion process, we will have incurred substantial costs in this effort.

Company information

Our principal executive offices are located at One Lagoon Drive, Fourth Floor Redwood City, CA 94065 and our telephone number is (650) 598-6000. 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

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the notes, see the section Description of Notes. In this Prospectus Summary The Offering section, we , us and Equinix refer to Equinix, Inc. and not to any of its subsidiaries.

Issuer Equinix, Inc., a Delaware corporation.

Securities Offered $500.0 million aggregate principal amount of 4.875% Senior Notes due 2020.

$1,000.0 million aggregate principal amount of 5.375% Senior Notes due 2023.

Maturity Date The 2020 notes will mature on April 1, 2020.

The 2023 notes will mature on April 1, 2023.

Interest Payment Dates Interest on each series of notes will accrue from and be payable semi annually in arrears on April 1 and October 1 of each year, commencing on October 1, 2013.

Redemption We may redeem all or a part of the 2020 notes on or after April 1, 2017 and the 2023 notes on or after April 1, 2018, on any one or more occasions, at the redemption prices set forth under Description of Notes Redemption, plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date.

In addition, at any time prior to April 1, 2016, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of each series of notes outstanding under the respective indenture, at a redemption price equal to 104.875% of the principal amount of the notes to be redeemed, in the case of the 2020 notes, or 105.375% of the principal amount of the notes to be redeemed, in the case of the 2023 notes, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings, provided that at least 65% of the aggregate principal amount of each series of notes issued under the respective indenture remains outstanding immediately after the occurrence of such redemption. At any time prior to April 1, 2017 with respect to the 2020 notes and April 1, 2018 with respect to the 2023 notes, we may also redeem all or a part of the notes at a redemption price equal to 100% of the principal amount of notes to be redeemed plus a make whole premium as of, and accrued and unpaid interest, if any, to, but not including, the date of redemption.

Ranking The notes will be our general senior obligations. Your right to payment under these notes will be:

effectively subordinated to all of our existing and future secured indebtedness, including our debt outstanding under any bank facility, to the extent of the assets securing such debt;

- structurally subordinated to any existing and future indebtedness and other liabilities (including trade payables) of any of our subsidiaries;
- equal in right of payment to all of our existing and future senior indebtedness; and
- senior in right of payment to any of our existing and future subordinated indebtedness.

At December 31, 2012, after giving effect to the sale of the notes and the application of the net proceeds therefrom to redeem our outstanding 8.125% Senior Notes due 2018 as more fully described under Use of Proceeds, we would have had total consolidated indebtedness of approximately $3.8 billion, approximately $753 million of which would have represented secured indebtedness of Equinix. At such date, our subsidiaries had approximately $1.3 billion of indebtedness and other liabilities (including trade payables but excluding intercompany items and liabilities of a type not required to be reflected on the balance sheets of our subsidiaries in accordance with generally accepted accounting principles), all of which would be structurally senior to the notes.

Guarantees On the issue date, the notes will not be guaranteed by any of our subsidiaries. In the future certain subsidiaries may be required to guarantee the notes. See Description of Notes Certain Covenants Subsidiary Guarantees.

Covenants The indentures governing the notes will contain covenants that limit our ability and the ability of our restricted subsidiaries to, among other things:

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

make investments; and

merge or consolidate with any other person.

Each of these restrictions have a number of important qualifications and exceptions. See Description of Notes. If the notes are rated

	investment grade at any time by both Standard & Poor s and Moody s most of the restrictive covenants contained in the indentures governing the notes will be suspended. See Description of Notes Certain Covenants Suspension of Covenants.
Change of Control	Upon the occurrence of a change of control (as defined in Description of Notes), we will be required to make an offer to purchase each holder s notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of purchase.
Form and Denomination	The notes will be issued only in registered form. The notes will initially be issued in minimum denominations of $2,000 and multiples of $1,000 in excess thereof. The notes initially sold by the underwriters will be represented by one or more permanent global notes in fully registered form, deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company (DTC).
	Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Except as described herein, notes in certificated form will not be issued in exchange for any global note or interests therein.
Trading	The notes are a new issue of securities, and there is currently no established trading market for the notes. An active or liquid market may not develop for the notes or, if developed, be maintained. We have not applied, and do not intend to apply, for the listing of the notes on any automated dealer quotation system.
Governing Law	The notes and the indentures under which they will be issued will be governed by New York law.
Trustee	U.S. Bank National Association.
Use of Proceeds	We estimate that we will receive net proceeds of approximately $1.48 billion from the offering, after deducting the underwriters discounts and commissions and estimated offering expenses payable by us. We intend to use such net proceeds to redeem our outstanding 8.125% Senior Notes due 2018 pursuant to the optional redemption provisions of such notes and for general corporate purposes, which may include capital expenditures, distributions to our stockholders in connection with our proposed conversion to a REIT, working capital and potential acquisitions and strategic transactions. Certain of the underwriters may hold positions in our 8.125% Senior Notes due 2018 and may be repaid with a portion of the net proceeds of this offering. From time to time we evaluate potential strategic transactions and acquisitions of businesses, technologies or products. Currently,

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	however, we do not have any agreements or understandings with respect to any such material strategic transactions or acquisitions. See Use of Proceeds.
Risk Factors	Investing in the notes involves risk. See Risk Factors and the other information included or incorporated by reference in this prospectus for a discussion of factors you should carefully consider before deciding to invest in the notes.

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Summary consolidated financial data

The following tables summarize our consolidated financial data for the periods presented. You should read this summary consolidated financial data in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes incorporated by reference in this prospectus. The consolidated statements of operations and consolidated statements of cash flow data for the years ended December 31, 2010, 2011 and 2012 and the consolidated balance sheet data as of December 31, 2012 are derived from our audited consolidated financial statements incorporated by reference in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future.

	Years ended December 31,		
	2010	2011	2012
	(dollars in thousands, except per share data)		
Consolidated Statement of Operations Data:			
Revenues	$ 1,196,214	$ 1,569,784	$ 1,895,744
Costs and operating expenses:			
Cost of revenues	652,156	833,851	943,995
Sales and marketing	110,765	158,347	202,914
General and administrative	220,618	265,554	329,399
Restructuring charges	6,734	3,481	
Impairment charges			9,861
Acquisition costs	12,337	3,297	8,822
Total costs and operating expenses	1,002,610	1,264,530	1,494,991
Income from continuing operations	193,604	305,254	400,753
Interest income	1,515	2,280	3,466
Interest expense	(140,475)	(181,303)	(200,328)
Other-than-temporary impairment recovery on investments	3,626		
Other income (expense)	692	2,821	(2,208)
Loss on debt extinguishment and interest rate swaps, net	(10,187)		(5,204)
Income from continuing operations before income taxes	48,775	129,052	196,479
Income tax expense	(12,562)	(37,451)	(61,783)
Net income from continuing operations	36,213		