# EQUINIX REPORTS FOURTH QUARTER AND YEAR END 2009 RESULTS

**Reported 2009 annual revenues of $882.5 million, a 25% increase over the previous year**

**Reported 2009 annual adjusted EBITDA of $408.6 million, a 40% increase over the previous year**

**Announced 2010 annual revenue guidance of $1,050.0 million to $1,075.0 million**

**Announced 2010 adjusted EBITDA guidance of $460.0 million to $480.0 million**

**FOSTER CITY, CA** — **February 11, 2010** — Equinix, Inc. (Nasdaq: EQIX), a provider of global data center services, today reported quarterly and year-end results for the period ended December 31, 2009.

Revenues were $242.6 million for the fourth quarter, a 7% increase over the previous quarter, and $882.5 million for the year ended December 31, 2009, a 25% increase over 2008 revenues. Recurring revenues, consisting primarily of colocation, interconnection and managed services were $231.5 million for the fourth quarter, a 7% increase over the previous quarter, and $841.8 million for the year ended December 31, 2009, a 26% increase over 2008. Non-recurring revenues were $11.1 million in the quarter and $40.7 million for the year ended December 31, 2009.

“Equinix closed out a solid year with a strong Q4, executing well and delivering on objectives across all three regions throughout 2009,” said Steve Smith, president and CEO of Equinix. “The disciplined investments that we’ve been making in our capacity and scale, along with strong customer demand, position Equinix well for continued industry leading growth.”

Cost of revenues were $127.1 million for the fourth quarter, a 1% increase from the previous quarter, and $483.4 million for the year ended December 31, 2009, a 17% increase over 2008. Cost of revenues, excluding depreciation, amortization, accretion and stock-based compensation of $41.6 million for the fourth quarter and $168.8 million for the year, were $85.5 million for the fourth quarter, a 4% increase over the previous quarter, and $314.6 million for the year ended December 31, 2009, a 19% increase over 2008. Cash gross margins, defined as gross profit less depreciation, amortization, accretion and stock-based compensation, divided by revenues, for the quarter were 65%, up from 64% the previous quarter and unchanged from the same quarter last year. Cash gross margins were 64% for the full year of 2009, up from 62% for the prior year.

Selling, general and administrative expenses were $60.9 million for the fourth quarter, a 12% increase over the previous quarter and $218.9 million for the year ended December 31, 2009, a 3% increase over 2008. Selling, general and administrative expenses, excluding depreciation, amortization and stock-based compensation of $15.5 million for the fourth quarter and $59.6 million for the year, were $45.4 million for the fourth quarter, a 15% increase over the previous quarter, and $159.3 million for 2009, an 8% increase over 2008.

Acquisition costs were $3.8 million for the fourth quarter and $5.2 million for the year ended December 31, 2009. We did not expense acquisition costs in the prior year. Our acquisition costs for the fourth quarter were related to the pending Switch and Data acquisition.

Net income for the fourth quarter was $17.7 million. This represents a basic net income per share of $0.45 and diluted net income per share of $0.44 based on a weighted average share count of 39.1 million and 40.5 million, respectively, for the fourth quarter of 2009. Net income for the year ended December 31, 2009 was $69.4 million. This represents a basic net income per share of $1.80 and diluted net income per share of $1.75 based on a weighted average share count of 38.5 million and 39.7 million, respectively, for the year ended December 31, 2009.

Adjusted EBITDA, defined as income or loss from operations before depreciation, amortization, accretion, stock-based compensation, restructuring charges and acquisition costs, for the fourth quarter was $111.7 million, an increase of 5% over the previous quarter, and $408.6 million for the year ended December 31, 2009, a 40% increase over 2008.

Capital expenditures in the fourth quarter were $101.7 million, of which $20.7 million was attributed to ongoing capital expenditures and $81.0 million was attributed to expansion capital expenditures. Capital expenditures for the year ended December 31, 2009 were $369.5 million, of which $64.4 million was attributed to ongoing capital expenditures and $305.1 million was attributed to expansion capital expenditures.

The Company generated cash from operating activities of $82.5 million for the fourth quarter as compared to $107.5 million in the previous quarter. Cash generated from operating activities for the year ended December 31, 2009 was $355.5 million as compared to $267.6 million in the previous year. Cash used in investing activities was $15.7 million in the fourth quarter as compared to $260.5 million in the previous quarter. Cash used in investing activities for the year was $558.2 million as compared to $478.0 million in the previous year.

As of December 31, 2009, the Company’s cash, cash equivalents and investments were $604.4 million, as compared to $307.9 million as of December 31, 2008.

**Company Metrics**

o To view Equinix's Non-Financial Metrics, please visit the Investors section of Equinix's web site atwww.equinix.com/investors and click on View Equinix's Non-Financial Metrics

**Business Outlook**

For the first quarter of 2010, the Company expects revenues to be in the range of $245.0 to $247.0 million, including approximately $5.0 million of currency headwinds compared to our prior expectations. Cash gross margins are expected to be approximately 64%. Cash selling, general and administrative expenses are expected to be approximately $46.0 million. Adjusted EBITDA is expected to be between $110.0 and $112.0 million. Capital expenditures are expected to be between $110.0 to $130.0 million, comprised of approximately $20.0 million of ongoing capital expenditures and $90.0 to $110.0 million of expansion capital expenditures.

For the full year of 2010, total revenues are expected to be in the range of $1,050.0 to $1,075.0 million, including approximately $22.0 million of currency headwinds compared to our prior expectations. Total year cash gross margins are expected to be approximately 64%. Cash selling, general and administrative expenses are expected to be in the range of $200.0 to $220.0 million.

Adjusted EBITDA for the year is expected to be between $460.0 and $480.0 million. Capital expenditures for 2010 are expected to be in the range of $400.0 to $500.0 million, comprised of approximately $100.0 million of ongoing capital expenditures related to customer installation expenditures, new product innovation solutions, internal ERP system solutions and increased investment in IBX reliability. Expansion capital expenditures are expected to range between $300.0 to $400.0 million.

The Company will discuss its results and guidance on its quarterly conference call on Wednesday, February 10, 2010, at 5:30 p.m. ET (2:30 p.m. PT). To hear the conference call live, please dial 773-756-4788 (domestic and international) and reference the passcode (EQIX). A simultaneous live Webcast of the call will be available over the Internet at www.equinix.com, under the Investor Relations heading.

A replay of the call will be available beginning on Wednesday, February 10, 2010 at 7:30 p.m. (ET) through March 10, 2010 by dialing 203-369-1034 and reference the passcode (2010). In addition, the Webcast will be available on the company's Web site atwww.equinix.com. No password is required for the webcast.

**About Equinix**

Equinix, Inc. (Nasdaq: EQIX) provides global data center services that ensure the vitality of the information-driven world. Global enterprises, content and financial companies, and network service providers rely upon Equinix's insight and expertise to protect and connect their most valued information assets. Equinix operates 49 International Business Exchange™ (IBX®) data centers across 18 markets in North America, Europe and Asia-Pacific.

Important information about Equinix is routinely posted on the investor relations page of its website located atwww.equinix.com/investors. We encourage you to check Equinix's website regularly for the most up-to-date information.

**Non-GAAP Financial Measures**

Equinix provides all information required in accordance with generally accepted accounting principles (GAAP), but it believes that evaluating its ongoing operating results may be difficult if limited to reviewing only GAAP financial measures. Accordingly, Equinix uses non-GAAP financial measures, such as adjusted EBITDA, cash cost of revenues, cash gross margins, cash operating expenses (also known as cash selling, general and administrative expenses or cash SG&A), adjusted EBITDA margins, free cash flow and adjusted free cash flow to evaluate its operations. In presenting these non-GAAP financial measures, Equinix excludes certain other items that it believes are not good indicators of the Company's current or future operating performance. These other items are depreciation, amortization, accretion of asset retirement obligations and accrued restructuring charge liabilities, stock-based compensation, restructuring charges and acquisition costs. Legislative and regulatory requirements encourage use of and emphasis on GAAP financial metrics and require companies to explain why non-GAAP financial metrics are relevant to management and investors. Equinix excludes these items in order for Equinix's lenders, investors, and industry analysts who review and report on the Company, to better evaluate the Company's operating performance and cash spending levels relative to its industry sector and competitor base.

Equinix excludes depreciation expense as these charges primarily relate to the initial construction costs of our IBX centers and do not reflect our current or future cash spending levels to support our business. Our IBX centers are long-lived assets, and have an economic life greater than ten years. The construction costs of our IBX centers do not recur and future capital expenditures remain minor relative to our initial investment. This is a trend we expect to continue. In addition, depreciation is also based on the estimated useful lives of our IBX centers. These estimates could vary from actual performance of the asset, are based on historic costs incurred to build out our IBX centers, and are not indicative of current or expected future capital expenditures. Therefore, Equinix excludes depreciation from its operating results when evaluating its operations.

In addition, in presenting the non-GAAP financial measures, Equinix excludes amortization expense related to certain intangible assets, as it represents a cost that may not recur and is not a good indicator of the Company's current or future operating performance. Equinix excludes accretion expense, both as it relates to its asset retirement obligations as well as its accrued restructuring charge liabilities, as these expenses represent costs which Equinix believes are not meaningful in evaluating the Company's current operations. Equinix excludes non-cash stock-based compensation expense as it represents expense attributed to stock awards that have no current or future cash obligations. As such, we, and many investors and analysts, exclude this stock-based compensation expense when assessing the cash generating performance of our operations. Equinix excludes restructuring charges from its non-GAAP financial measures. The restructuring charges relate to the Company's decision to exit leases for excess space adjacent to several of our IBX centers, which we did not intend to build out, or our decision to reverse such restructuring charges. Equinix excludes acquisition costs from its non-GAAP financial measures. The acquisition costs relate to expenses the Company incurs in connection with business combinations. Management believes such items as restructuring charges and acquisition costs are unique transactions, and consequently, does not consider these items as a normal component of expenses or income related to current and ongoing operations.

Our management does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. However, we have presented such non-GAAP financial measures to provide investors with an additional tool to evaluate our operating results in a manner that focuses on what management believes to be our core, ongoing business operations. Management believes that the inclusion of these non-GAAP financial measures provides consistency and comparability with past reports and provides a better understanding of the overall performance of the business and its ability to perform in subsequent periods. Equinix believes that if it did not provide such non-GAAP financial information, investors would not have all the necessary data to analyze Equinix effectively.

Investors should note, however, that the non-GAAP financial measures used by Equinix may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. In addition, whenever Equinix uses such non-GAAP financial measures, it provides a reconciliation of non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure.

Equinix does not provide forward-looking guidance for certain financial data, such as depreciation, amortization, accretion, net income (loss) from operations, cash generated from operating activities and cash used in investing activities, and as a result, is not able to provide a reconciliation of GAAP to non-GAAP financial measures for forward-looking data. Equinix intends to calculate the various non-GAAP financial measures in future periods consistent with how it was calculated for the three and twelve months ended December 31, 2009 and 2008, presented within this press release.

## Forward Looking Statements

*This press release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Factors that might cause such differences include, but are not limited to, the challenges of acquiring, operating and constructing IBX centers and developing, deploying and delivering Equinix services; unanticipated costs or difficulties relating to the integration of companies we have acquired or will acquire into Equinix; a failure to receive significant revenue from customers in recently built out or acquired data centers; failure to complete any financing arrangements contemplated from time to time; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay new or outstanding indebtedness; the loss or decline in business from our key customers; and other risks described from time to time in Equinix's filings with the Securities and Exchange Commission. In particular, see Equinix's recent quarterly and annual reports filed with the*

*Securities and Exchange Commission, copies of which are available upon request from Equinix. Equinix does not assume any obligation to update the forward-looking information contained in this press release.*

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