EQUINIX INC
Form S-3
March 27, 2003
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As filed with the Securities and Exchange Commission on March 27, 2003

Registration No. 333-

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	**77-0487526**
(State or Other Jurisdiction of Incorporation or Organization)	**(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)

Peter F. Van Camp

Chief Executive Officer

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:

Christopher A. Dillon

Brett A. Pletcher

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Villeneuve Franklin & Hachigian, LLP

155 Constitution Drive

Menlo Park, California 94025

(650) 321-2400

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

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. x

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 delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price per Security(1)**	**Proposed Maximum Aggregate Offering Price(1)**	**Amount of Registration Fee**
Common Stock, par value $.0001	5,369,732 shares	$3.66	$19,653,219	$1,589.95

(1) The price of $3.66 per share, which was the average of the high and low prices of the Common Stock on the Nasdaq National Market on March 24, 2003, is set forth solely for the purpose of calculating the registration fee in accordance with Rule 457(c) of the Securities Act of 1933.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Subject to Completion, dated March 27, 2003

5,369,732 Shares

EQUINIX, INC.

Common Stock

INVESTING IN OUR COMMON STOCK INVOLVES CERTAIN RISKS. SEE RISK FACTORS STARTING ON PAGE 3.

The selling stockholders listed on page 16 are offering and selling 5,369,732 shares of our common stock under this prospectus.

The selling stockholders may offer their Equinix stock through public or private transactions, on or off the Nasdaq National Market, at prevailing market prices, or at privately negotiated prices.

Our common stock is traded on The Nasdaq National Market under the symbol EQIX. On March 24, 2003, the closing bid price of the common stock on The Nasdaq National Market was $3.60 per share.

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.

The date of this Prospectus is June   , 2003

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RISK FACTORS

In addition to the other information in this registration statement, the following risk factors should be considered carefully in evaluating our business and us:

Risks Related to Our Business

Equinix and its acquired subsidiaries, i-STT and Pihana, have limited operating histories and the market for each company s services is still in its early stages.

We were founded in June 1998 and did not recognize any revenue until November 1999. In December 2002, we purchased i-STT and Pihana Pacific as more fully described in our definitive proxy statement dated December 12, 2003. i-STT was founded in January 2000 and did not recognize any revenue until May 2000. Pihana was founded in June 1999 and did not recognize any revenue until June 2000. We expect that we will encounter challenges and difficulties frequently experienced by early-stage companies in new and rapidly evolving international markets, such as our ability to generate cash flow, hire, train and retain sufficient operational and technical talent, and implement our plan with minimal delays. We may not successfully address any or all of these challenges and our failure to do so would seriously harm our business plan and operating results, and affect our ability to raise additional funds.

If we are unable to meet these challenges and generate higher revenues while reducing costs, we may not be able to comply with the covenants in the credit facility. If we breach our credit facility, the banks could require repayment of all amounts previously drawn down and we will not have sufficient cash reserves to repay such amounts.

Equinix, i-STT and Pihana have each incurred substantial losses in the past, may continue to incur additional losses in the future and will not be profitable until the combined company reverses this trend.

Equinix incurred losses of approximately $21.6 million for 2002 ($135.8 million, excluding the gain on debt extinguishment), i-STT incurred losses of approximately $8.0 million for 2002 and Pihana incurred losses of approximately $148.5 million for the same period. In recent periods, Equinix, i-STT and Pihana have not generated cash from operations. Even if the combined company achieves profitability, given the competitive and evolving nature of the industry in which it operates, the combined company may not be able to sustain or increase profitability on a quarterly or annual basis.

The combination will delay, and may prevent, our profitability as a result of factors including:

- significant operating losses and lower gross margins generated by Pihana s IBX hubs;

costs associated with integrating the three businesses; and

fees and costs associated with completing these transactions, including professional fees.

As a result of these increased expenses, the combined company will need to increase revenues in order to reach profitability. If we are unable to sufficiently grow revenues while reducing costs, we may not be able to comply with the covenants in our credit facility. If we breach the credit facility, the banks could require repayment of all amounts previously drawn down and we do not have sufficient cash reserves to repay such amounts.

We expect our operating results to fluctuate.

Equinix, i-STT and Pihana have each experienced fluctuations in their respective results of operations on a quarterly and annual basis. The fluctuation in their operating results may cause the market price of our common

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stock to decline. We expect to experience significant fluctuations in our operating results in the foreseeable future due to a variety of factors, including:

- changes in general economic conditions and specific market conditions in the telecommunications and Internet industries;
- growth or decline of Internet use;
- customer insolvency;
- the ability of our customers to obtain financing or to fund their capital expenditures;
- demand for space and services at our IBX hubs;
- our pricing policies and the pricing policies of our competitors;
- the timing of customer installations and related payments;
- customer retention and satisfaction;
- 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;
- competition in the markets;
- conditions related to international operations;
- the timing and magnitude of capital expenditures and expenses related to the expansion of sales, marketing, operations and acquisitions, if any, of complementary businesses and assets;
- the cost and availability of adequate public utilities, including power;
- ability to obtain, transfer, or maintain licenses required by governmental entities with respect to the combined business; and
- compliance with governmental regulation with which we have little experience.

the effects of terrorist activity and armed conflict, such as disruptions in general economic activity, changes in logistics and security arrangements, and reduced customer demand for our services;

Any of the foregoing factors, or other factors discussed elsewhere in this report, could have a material adverse effect on our business, results of operations, and financial condition. Although Equinix, i-STT and Pihana have experienced growth in revenues in recent quarters, this growth rate is not necessarily indicative of future operating results. It is possible that the combined company may never achieve profitability on a quarterly or annual basis. 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 the combined company s 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 its stock.

If we cannot generate higher revenues, while reducing costs by combining the businesses, we may not be able to comply with the covenants in the credit facility. If the combined company breaches the credit facility, the banks could require repayment of all amounts previously drawn and the combined company will not have sufficient cash reserves to repay such amounts.

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If we cannot successfully integrate Pihana s and i-STT s respective existing business operations, we may not achieve the anticipated benefits of the combination.

Integrating i-STT and Pihana into our business operations involves a number of risks, including:

- the difficulties and expenses in combining the operations, technology and computer systems and software applications of the three companies;
- the different geographic locations of the principal operations of us, i-STT and Pihana;
- the difficulties in integrating the companies key revenue-generating services in a way that would be accepted in the market;
- the difficulties in the creation and maintenance of uniform standards, controls, procedures and policies;
- the diversion of management s attention from ongoing operations;
- the challenges in keeping and attracting customers; and
- the introduction of new or enhanced services.

If we are to realize the anticipated benefits of the combination, our operations must be efficiently and effectively integrated with the operation of i-STT and Pihana. There can be no assurance that the integration will be successful or that the anticipated benefits of the combination will be realized. If we cannot generate higher revenues, while reducing costs, we may not be able to comply with the covenants in our credit facility. If we breach the credit facility, the banks could require repayment of all amounts previously drawn down and we do not have sufficient cash reserves to repay such amounts.

If we cannot effectively integrate and manage international operations, our revenues may not increase and our business and results of operations would be harmed.

In 2002, our sales outside North America represented less than 1% of our revenues, i-STT s sales outside North America represented approximately 100% of its revenues and Pihana s sales outside North America represented approximately 45% of its revenues. We anticipate that, for the foreseeable future, approximately 15% of the combined company s revenues will be derived from sources outside North America. Our management team is comprised primarily of Equinix executives before the combination, some of whom have had limited or no experience overseeing international operations.

To date, the neutrality of the Equinix IBX hubs and the variety of networks available to our customers has often been a competitive advantage for us. In certain of our recently acquired IBX hubs, in Singapore in particular, the limited number of carriers available diminishes 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, for which hedging activities may not adequately protect us. 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 more expensive in local currencies. Our international operations are generally subject to a number of additional risks, including:

- costs of customizing IBX hubs for foreign countries;

- protectionist laws and business practices favoring local competition;

- greater difficulty or delay in accounts receivable collection;

- difficulties in staffing and managing foreign operations;

- political and economic instability;

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

compliance with governmental regulation with which we have little experience.

To date, the majority of Equinix s revenues and costs have been denominated in U.S. dollars; the majority of i-STT s revenues and costs have been denominated in Singapore dollars and the majority of Pihana s revenues and costs have been denominated in U.S. dollars, Japanese yen and Australian and Singapore dollars. However, we expect that in the future an increasing portion of revenues and costs will be denominated in foreign currencies. Although the combined company may undertake foreign exchange hedging transactions to reduce foreign currency transaction exposure, it does not currently intend to eliminate all foreign currency transaction exposure.

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

STT Communications currently owns approximately 28% of our outstanding voting stock. Because of the diffuse ownership of our stock, STT Communications has significant influence over matters requiring our stockholder approval. Following the expiration of restrictions on STT Communications preventing it from converting its convertible secured notes and warrants into voting stock if, as a result, STT Communications will own more than 40% of our voting stock, STT Communications will effectively control the company and the election of directors to our board of directors. Consequently, STT Communications will be 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.

We need to improve and implement financial and managerial controls and improve our reporting systems and procedures. If we are unable to do so successfully, we may not be able to manage growth effectively and our operating results would be harmed.

In order to manage the integration of the i-STT and Pihana businesses, we need to continue to improve our financial and managerial controls and reporting systems and procedures. Any inability of our management to integrate additional companies, employees, technology advances and customer service into operations and to eliminate unnecessary duplication may have a materially adverse effect on our business, financial condition and results of operations.

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 the combination agreement.

We agreed to a covenant in the combination agreement (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 until such time as neither STT Communications nor its affiliates hold our capital stock or debt securities (or the capital stock received upon conversion of the debt securities) received by STT Communications in connection with the consummation of the transactions contemplated in the combination agreement, none of our capital stock issued to STT Communications constitute United States real property interests within the meaning of Section 897(c) of the Internal Revenue Code of 1986, which we call 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 U.S., and (c) any other assets held by us which are used or held for use in our trade or business. Given that we currently own significant amounts of United States real property interests, 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

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interests owned by us or decrease the amount of other assets owned by us. In addition, pursuant to the FIRPTA covenant we may be forced to take commercially reasonable proactive steps to ensure our compliance with the FIRPTA covenant, including, but not limited to, (a) a sale-leaseback transaction with respect to all 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 (this reorganization would require the submission of that transaction to our stockholders for their approval and the consummation of that exchange).

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

In the past, a substantial portion of i-STT s financing, as well as its revenues, has been derived from its affiliates. 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, Singapore Technologies Pte Ltd, an affiliate of STT Communications, makes investments in various companies; it has 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. There can be no assurance that any conflicts of interest will be resolved in our favor.

Our success is dependent on the retention of our executive officers and key employees.

We are substantially dependent upon the continued service of our executive officers. In addition, we are dependent on the retention of key employees of Pihana and i-STT who have knowledge of the applicable local business environment and data center operations. Without these individuals as part of the management team, it would be significantly more difficult to efficiently and effectively integrate our critical functions and compete effectively against other Internet infrastructure companies.

We have significant debt and we may not generate sufficient cash flow to meet our debt service obligations.

Our total debt consists primarily of the following:

- a total of $30.5 million principal amount of senior notes;
- a total of $91.5 million principal amount of loans under our credit facility;
- a total of $30.0 million of a newly issued convertible secured note; and
- approximately $9.6 million of other outstanding debt facilities and capital lease obligations.

Under the terms of the combination agreement, we are contractually obligated to use our reasonable best efforts to obtain the release of STT Communications from a bank guarantee associated with i-STT s unconsolidated Thailand joint venture. Such efforts may include i-STT assuming such guarantee if it is commercially reasonable to do so. Currently, we have not assumed such guarantee and accordingly, no liability has been recorded for this potential liability as of December 31, 2002. This guarantee is for a Thai baht 260,000,000 bank loan (approximately $6,032,000 as translated using effective exchange rates at December 31, 2002), of which Thai baht 54,900,000 is currently outstanding as of December 31, 2002 (approximately $1,274,000 as translated using effective exchange rates at December 31, 2002).

The amount of our debt could have important consequences, including:

- impairing our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes;

- requiring us to dedicate a substantial portion of our operating cash flow to paying principal and interest on indebtedness, thereby reducing the funds available for operations;

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- limiting our ability to grow and make capital expenditures due to the financial covenants contained in our debt arrangements;
- impairing our ability to adjust rapidly to changing market conditions, invest in new or developing technologies, or take advantage of significant business opportunities that may arise; and
- making us more vulnerable if a general economic downturn continues or if its businesses experience difficulties.

If we cannot generate sufficient additional revenue and recognize sufficient synergy savings by combining the businesses, we may not be able to meet our debt service obligations or repay our debt when due or comply with other covenants in the credit facility. If we breach the credit facility, the banks could require repayment of all amounts previously drawn down, and we do not have sufficient cash reserves to repay such amounts.

We may be unable to raise the funds necessary to repay or refinance our indebtedness.

We are obligated to make principal and/or interest payments on our credit facility each year until up to 2006 and on our senior notes each year until 2007. Additionally, our credit facility matures in 2006 and the convertible secured notes and our senior notes mature in 2007. Each of these obligations require significant amounts of liquidity. We may need additional capital to fund those obligations. Our ability to arrange financing and the cost of this financing will depend upon many factors, including:

- general economic and capital markets conditions generally, and in particular the non-investment grade debt market;
- conditions in the Internet infrastructure market;
- credit availability from banks or other lenders;
- investor confidence in the telecommunications industry generally and our company specifically;
- the success of our IBX hubs; and
- provisions of tax and securities laws that are conducive to raising capital.

If we need additional funds, our inability to raise them will have an adverse effect on our operations. If we decide to raise additional funds by incurring debt, we may become subject to additional or more restrictive financial covenants and ratios.

We are subject to restrictive covenants under the credit facility that limit our flexibility in managing our business.

Our credit facility requires that the combined company maintain specific financial ratios and comply with covenants, including a monthly cash covenant, and contains numerous restrictions on our ability to incur debt, pay dividends or make other restricted payments, sell assets, enter into affiliate transactions and take other actions. Furthermore, our existing financial arrangements are, and future financing arrangements are likely to be, secured by substantially all of our assets. If we are unable to meet the terms of the financial covenants or if we breach any of these covenants, a default could result under one or more of these agreements. A default, if not waived by our lenders, could result in the acceleration of outstanding indebtedness and cause our debt to become immediately due and payable. If an acceleration occurs, we will not be able to repay our debt, and it is unlikely that we will be able to borrow sufficient additional funds to refinance our debt. Even if new financing is made available to us, it may not be available on terms acceptable to us.

A significant number of shares of our capital stock issued in connection with our recent acquisition and financing transaction may be sold in the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

We issued a large number of shares of our capital stock to the former Pihana stockholders, an affiliate of STT Communications, and holders of our senior notes in connection with our recent acquisition and financing

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transaction. The shares of common stock issued in our recent senior note exchange are currently eligible for sale into the public market. The shares of common stock issued in connection with our recent acquisition transactions are being registered for resale within six months. Subject to the restrictions described in our December 2002 proxy statement, the senior notes and warrants issued in connection with our recent financing transactions are immediately convertible or exercisable into shares of common stock and the underlying shares of common stock may be registered for resale after June 30, 2003. Sales of a substantial number of shares of our common stock by these parties within any narrow period of time could cause our stock price to fall. In addition, the issuance of the additional shares of our common stock as a result of these transactions will reduce our earnings per share, if any. This dilution could reduce the market price of our common stock unless and until we achieve revenue growth or cost savings and other business economies sufficient to offset the effect of this issuance. There can be no assurance that we will achieve revenue growth, cost savings or other business economies.

Our profitability is affected by the average selling price of our services and our operations efficiency rates.

Decreases in the average selling prices of our, i-STT s, and Pihana s services have had and will continue to have a material adverse effect on our profitability. Historically, the average per square foot selling price of our, i-STT s and Pihana s services have declined since the commencement of their respective operations. Our ability to achieve profitability will continue to be dependent, in large part, upon our ability to offset any decreases in average per square foot selling prices by improving operations efficiency, and increasing the value added services provided at our IBX hubs. If we are unable to do so, our business, financial condition and results of operations could be materially adversely affected.

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

In order to provide resale services such as bandwidth, managed services, backup and recovery services and other network management services, we will 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 paying monies to 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 affect on our financial performance and operating results.

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

Our IBX hubs and other products and services must be able to differentiate themselves from existing 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. Likewise, 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 these companies have the ability to adopt aggressive pricing policies. 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 where we have IBX hubs. 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 hubs. We believe our neutrality provides us with an advantage over these competitors. However, 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. Competitors may operate more successfully or form alliances to acquire significant market share. Furthermore, enterprises that have already invested substantial resources in peering arrangements may be reluctant or slow to adopt our approach that may replace, limit or compete with their existing systems. 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 will be extremely difficult to convince them to relocate to our IBX hubs.

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 hub, 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 hubs 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 hub s operating reliability and security and our ability to effectively market our services. In addition, some of our customers are and will 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 hubs. 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 the IBX hubs and to purchase additional services typically involves a significant commitment of resources and will be influenced by, among other things, the customer s confidence in our financial strength. In addition, some customers will be reluctant to commit to locating in our IBX hubs until they are confident that the IBX hub has adequate carrier connections. As a result, we have a long sales cycle. Delays due to the length our sales cycle may materially adversely affect our business, financial condition and results of operations.

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

The presence of diverse telecommunications carriers fiber networks to our IBX hubs is critical to our ability to attract new customers. We believe that the availability of carrier capacity will directly affect our ability to achieve our projected results.

We are not a telecommunications carrier, and as such we rely on third parties to provide our customers with carrier services. We rely primarily on revenue opportunities from their customers to encourage carriers to invest the capital and operating resources required to build facilities from their locations to our IBX hubs. Carriers will likely evaluate the revenue opportunity of an IBX hub based on the assumption that the environment will be highly competitive. There can be no assurance that any carrier will elect to offer its services within our IBX hubs. In addition, there can be no assurance once a carrier has decided to provide Internet connectivity to our IBX hubs that it will continue to do so for any period of time.

The construction required to connect multiple carrier facilities to our IBX hubs is complex and involves factors outside of our control, including regulatory processes and the availability of construction resources. If the

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establishment of highly diverse Internet connectivity to our IBX hubs does not occur or is materially delayed or is discontinued, our operating results and cash flow will be adversely affected. Further, many carriers are experiencing business difficulties. As a result, some carriers may be forced to terminate connectivity within our IBX hubs.

We have service level commitment obligations to certain of our customers. As a result, service interruptions or significant equipment damage in our IBX hubs, whether or not within our control, could result in service level commitments to these customers. Our liability insurance may not be adequate to cover those expenses. In addition, any loss of services, equipment damage or inability to meet our service level commitment obligations, particularly in the early stage of our development, 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.

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 customers IBX infrastructure and customers equipment located in our IBX hubs. The services we provide are subject to failure resulting from numerous factors, including:

- human error;
- physical or electronic security breaches;
- fire, earthquake, flood and other natural disasters;
- water damage;
- power loss;
- sabotage and vandalism; and
- failure of business partners who provide the combined company s resale products.

Problems at one or more of our IBX hubs, whether or not within our control, could result in service interruptions or significant equipment damage. In the past, a limited number of our customers have experienced temporary losses of power and failure of our services levels on products such as bandwidth connectivity. 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 to cover those expenses. In addition, any loss of services, equipment damage or inability to meet our service level commitment obligations, particularly in the early stage of our development, 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 will be dependent upon internet service providers, telecommunications carriers and other website operators in the U.S., Asia and elsewhere, some of which may 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 failed to provide the required services, our business, financial condition and results of operations could be materially adversely impacted.

A portion of the managed services business we acquired in the combination 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 us or our customers. 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, the Internet service will not be available for several hours, thus impacting hosted customers on-line business transactions. Affected customers might file claims against us under such circumstances.

To the extent a failure of our physical infrastructure, services, or services provided by service providers results in decreased revenues, we may not be able to comply with covenants in our credit facility. If we are unable to comply with covenants in our credit facility, the banks may require repayment of all outstanding amounts, and we do not have sufficient cash reserves to repay those amounts.

Our business could be harmed by prolonged electrical power outages or shortages, increased costs of energy or general availability of electrical resources.

Our IBX hubs are susceptible to regional costs of power, electrical power shortages, planned or unplanned power outages caused by these shortages, such as those that occurred in California during 2001, and limitations, especially internationally, of adequate power resources. The overall power shortage in California has increased the cost of energy, which we may not be able to pass on to our customers. We attempt to limit exposure to system downtime by using backup generators and power supplies. Power outages, which last beyond our backup and alternative power arrangements, could harm our customers and our business.

We may experience service interruptions, loss of customers and drain on resources if we are unable to renew our facility leases.

We have several short-term leases on our IBX hubs that are located outside of North America. For example, we currently lease approximately 86,100 square feet for our facility in Singapore, of which approximately 71,900 square feet expire in July 2003. Upon its expiration, we may not be able to renew our leases under reasonable terms, if at all and may have to relocate our IBX hubs to other facilities. A relocation of any IBX hub could result in service interruptions and significant additional expenses. In addition, seeking a new facility could divert management s attention and our resources.

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

We may seek to acquire complementary businesses, products, services and technologies. As a result of these acquisitions, we may be required to incur additional debt and expenditures and issue additional shares of our stock to pay for the acquired business, product, service or technology, which will dilute existing stockholders ownership interest in the combined company. In addition, if we fail to successfully integrate and manage acquired businesses, products, services and technologies, our business and financial results would be harmed.

We are subject to securities class action 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. 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. The defense of this litigation may increase our expenses and divert management s attention and resources. An adverse outcome in this

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litigation could seriously harm our business and results of operations. In addition, we may, in the future, be subject to other securities class action or similar litigation.

Risks related to our Industry

If the economy does not improve and 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. In addition, even if consumers do adopt and continue to use online services, we do not expect a significant increase in revenues until the economy begins to improve generally. As a result, we cannot be certain that a viable market for our IBX hubs will materialize. If the market for our IBX hubs grows more slowly than we currently anticipate, our revenues will not grow and our operating results will suffer. If we cannot grow revenues while reducing costs, we may not be able to comply with the covenants in our credit facility. If we breach the credit facility, the banks could require repayment of all amounts previously drawn down and we do not have sufficient cash reserves to repay such amounts.

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 now 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. The combined company has little experience with such international regulatory issues and substantial resources of the company may be required to comply with regulations or bring any non-complaint 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 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 services providers. The compliance with, adoption of or modification of laws or regulations relating to the Internet, or interpretations of the existing law, could have a material adverse effect on our business, financial condition and results of operation.

Recent 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, result in increased costs 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 hubs.

Recent Accounting Pronouncements

In May 2002, the FASB issued SFAS No. 145, Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections (SFAS 145). SFAS 145 rescinds the automatic treatment of gains or losses from extinguishment of debt as extraordinary unless they meet the criteria for extraordinary items as outlined in APB Opinion No. 30, Reporting the Results of Operations, Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events

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and Transactions. In addition, SFAS 145 also requires sale-leaseback accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions and makes various technical corrections to existing pronouncements. SFAS 145 is effective for us for all financial statements issued in fiscal 2003; however, as allowed under the provisions of SFAS 145, we decided to early adopt SFAS 145 in relation to extinguishments of debt for the year ended December 31, 2002. As a result of the early adoption of SFAS 145, the gains on debt extinguishment that we realized in 2002 from the extinguishment of senior notes during the year were not reported as extraordinary transactions.

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities (SFAS 146). SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. SFAS 146 eliminates the definition and requirement for recognition of exit costs in Emerging Issues Task Force Issue No. 94-3 where a liability for an exit cost was recognized at the date of an entity s commitment to an exit plan. This statement is effective for exit or disposal activities initiated after December 31, 2002. The Company will adopt the provisions of SFAS 146 during the first quarter of 2003. We do not believe that the adoption of this statement will have a material impact on our results of operations, financial position or cash flows.

In November 2002, the FASB issued FASB Interpretation No. 45, Guarantor s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (FIN 45). FIN 45 requires a guarantor to recognize a liability for obligations it has undertaken in relation to the issuance of a guarantee in addition to providing additional disclosures on such guarantees. The liability would be recorded at fair value on the date the guarantee is issued. The disclosure requirements of FIN 45 are effective for the interim and annual periods ending after December 15, 2002. The recognition and measurement provisions of FIN 45 are effective after December 31, 2002. As of December 31, 2002, the Company adopted the disclosure requirements of FIN 45. We are currently evaluating the effects of the liability measurement provisions of FIN 45 on our financial statements commencing in fiscal 2003.

In November 2002, the Emerging Issues Task Force reached a consensus on Issue No. 00-21, Revenue Arrangements with Multiple Deliverables (EITF 00-21). EITF 00-21 provides guidance on how to account for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. The provisions of EITF 00-21 will apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003. We are currently assessing the impact of the adoption of this pronouncement on our consolidated financial statements.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation Transition and Disclosure an Amendment of SFAS No. 123 (SFAS 148). SFAS 148 encourages the adoption of the accounting provisions of SFAS 123 and requires additional disclosure, including in interim financial statements, for all companies regardless of whether or not they adopt the accounting provisions of SFAS 123. This statement was effective for our fiscal 2002 Annual Report on Form 10-K and the new interim disclosure provisions are effective for the first quarter of 2003.

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51. FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 is effective immediately for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. We are currently assessing the impact of the pronouncement on our consolidated financial statements.

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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 and Section 21E of the 1934 Act, 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.

USE OF PROCEEDS

All net proceeds from the sale of Equinix common stock will go to the stockholders that offer and sell their shares. Accordingly, Equinix will not receive any proceeds from the sale of the shares by the selling stockholders.

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SELLING STOCKHOLDERS

The following table sets forth certain information, as of March 27, 2003, with respect to the number of shares of common stock owned by the selling stockholders named below and as adjusted to give effect to the sale of the shares offered hereby. The shares are being registered to permit public secondary trading of the shares, and the selling stockholders may offer the shares for resale from time to time. See Plan of Distribution.

The shares being offered by the selling stockholders were acquired from Equinix in our acquisitions of i-STT Pte Ltd and Pihana Pacific, Inc., pursuant to a combination agreement signed on October 2, 2002. We call this transaction the combination. The shares of common stock were issued pursuant to an exemption from the registration requirements of the Securities Act.

Equinix has filed with the SEC, under the Securities Act, a registration statement on Form S-3, of which this prospectus forms a part, with respect to the resale of the shares from time to time on The Nasdaq National Market or in privately-negotiated transactions. Equinix has agreed to use its best efforts to keep such registration statement effective until the earlier of such time as (i) all the shares have been sold or (ii) any portion of the shares may be sold under Rule 144 of the Securities Act.

Some of the selling stockholders listed below may distribute their respective shares to their general or limited partners. Any shares so distributed may be offered hereunder by the general or limited partners of the distributing selling stockholders. Each general or limited partner distribute will be deemed to be a selling stockholder for purposes of this prospectus with respect to the distributed shares.

The Shares offered by this prospectus may be offered from time to time by the selling stockholders named below:

	Shares Beneficially Owned Prior to Offering			Shares Beneficially Owned After the Offering*	
Name and Address of Selling Stockholders**	**Number of Shares**	**Percent*****	**Number of Shares Being Offered**	**Number of Shares**	**Percent**
i-STT Investments Pte. Ltd.(1)(2) 51 Cuppage Road #10-11/17 Starhub Center Singapore 229469	4,943,569	40%	2,953,353(3)	1,990,216	16.10%
Columbia PIXC Partners, LLC(4)(5) 201 North Union Street, Suite 300 Alexandria, VA 22314	96,166	*	96,166	0	
Columbia Capital Equity Partners II (QP), L.P.(4)(6) 201 North Union Street Suite 300 Alexandria, VA 22314	91,024	*	91,024	0	
Columbia PIXC Partners III, LLC(4)(7) 201 North Union Street Suite 300 Alexandria, VA 22314	310,824	3%	310,824	0	
	1,736	*	1,736	0	

Rich Kalbrener(8)
1100 Alakea Street
21st Floor
Honolulu, HI 96813

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	Shares Beneficially Owned Prior to Offering			Shares Beneficially Owned After the Offering*	
Name and Address of Selling Stockholders**	Number of Shares	Percent***	Number of Shares Being Offered	Number of Shares	Percent
Alexander Good(9) 201 North Union Street Suite 300 Alexandria, VA 22314	694	*	694	0	
GS Capital Partners 2000 L.P.(10) 85 Broad Street New York, NY 10004	287,500	2.77%	287,500	0	
GS Capital Partners 2000 Offshore, L.P.(11) 85 Broad Street New York, NY 10004	104,466	1.01%	104,466	0	
GS Capital Partners 2000 GmbH & Co(12) 85 Broad Street New York, NY 10004	12,017	*	12,017	0	
GS Capital Partners 2000 Employee Fund L.P.(13) 85 Broad Street New York, NY 10004	91,347	*	91,347	0	
Stone St Fund 2000, L.P.(14) 85 Broad Street New York, NY 10004	26,070	*	26,070	0	
GS Special Opportunities (Asia) Fund, L.P.(15) 85 Broad Street New York, NY 10004	147,688	1.42%	147,688	0	
GS Special Opportunities (Asia) Offshore Fund, L.P.(16) 85 Broad Street New York, NY 10004	107,668	1.04%	107,668	0	
Whitehall Street Real Estate Limited Partnership XIII(17) 85 Broad Street New York, NY 10004	173,943	1.68%	173,943	0	
Whitehall Parallel Real Estate Limited Partnership XIII(18) 85 Broad Street New York, NY 10004	60,687	*	60,687	0	
Stone St Asia Fund, L.P.(19) 85 Broad Street New York, NY 10004	5,343	*	5,343	0	
Stone Street Real Estate Fund 2000, L.P.(20) 85 Broad Street New York, NY 10004	26,070	*	26,070	0	
Morgan Stanley Global Emerging Markets Private Investment Fund, LP(21) 1221 Avenue of the Americas 33rd Floor New York, NY 10020	245,742	2.37%	245,742	0	

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Name and Address of Selling Stockholders**	Shares Beneficially Owned Prior to Offering		Number of Shares Being Offered	Shares Beneficially Owned After the Offering*	
	Number of Shares	Percent***		Number of Shares	Percent
Morgan Stanley Emerging Markets Private Investors, L.P.(22) 1221 Avenue of the Americas 33rd Floor New York, NY 10020	14,957	*	14,957	0	
Morgan Stanley Dean Witter Equity Funding, Inc.(23) 1585 Broadway New York NY 10020	52,140	*	52,140	0	
UBS Capital Asia Pacific Limited(24) 25/F One Exchange Square 8 Connaught Place Central Hong Kong	208,560	2.01%	208,560	0	
Hewlett Packard(25) 3000 Hanover Street Mailstop 20BQ Palo Alto, CA 94304	52,140	*	52,140	0	
LoneTree III Capital Partners(26) 9785 Maroon Circle Suite 360 Englewood, CO 80112	104,280	1.03%	104,280	0	
Mori Building Co. LTD(27) 12-32 Akasaka 1-Chrome Minato-Ku Tokyo 107-6090 Japan	52,140	*	52,140	0	
GE Capital(28) 120 Long Ridge Road Stamford, CT 06927	104,280	1.01%	104,280	0	
Nifco Inc.(29) Japan Time Nifco Building, 4-5-4 Shibura Minato-Ku Tokyo 108-8522 Japan	10,428	*	10,428	0	
PacificCap Group Investment Partners II, LLC(30) 60 N Beretania Street #3301 Honolulu HI 96817	26,904	*	26,904	0	
White & Case Solicitors(31) 9th Floor, Glouster Towers The Landmark 11 Pedder Street Hong Kong	1,043	*	1,043	0	
Wilson Sonsini Goodrich & Rosati(32) 650 Page Mill Road Palo Alto, CA 94304	261	*	261	0	
Brooks Entwistle(33) Goldman Sachs (Asia) LLC 68th Floor, Cheung Kong Center 2 Queens Road Central, Hong Kong	261	*	261	0	
TOTAL	7,359,948		5,369,732	0	

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* Less than 1%.
** Assumes sale of all the shares offered; however, the selling stockholders may or may not sell all or any of the offered shares.
*** Includes limited partners, donees and pledgees selling shares that are received from a named selling stockholder.
(1) Lee Theng Kiat and Jean Mandeville are the President and Chief Financial Officer, respectively, of Singapore Technologies Telemedia Pte. Ltd., which controls i-STT Investments Pte. Ltd. and are current directors of Equinix.
(2) Includes 1,084,686 shares of common stock and 1,868,667 shares of common stock that may be acquired upon conversion of the Series A Convertible Preferred Stock, the Series A Preferred Stock, owned by i-STT Investments Pte. Ltd., i-STTI. Also includes 1,990,216 shares that may be acquired within 60 days of March 31, 2003 upon conversion of Series A-1 Convertible Secured Notes, the Notes , or upon the exercise of Series A-1 Preferred Stock Warrants, the Warrants , owned of record by i-STTI. As more fully described in our definitive proxy statement filed with the Securities and Exchange Commission on December 12, 2002 and subject to the qualifications described therein, until December 31, 2004, STT and its affiliates may not convert the Notes or exercise the Warrants for shares of our voting stock if such conversion or exercise would cause i-STTI, when combined with shares beneficially held by its affiliates, to beneficially hold more than 40% of our outstanding voting stock. Accordingly, the Notes and Warrants are convertible into or exercisable for shares of common stock or Series A Preferred Stock only to the extent that such exchange will not cause i-STTI or its affiliates to exceed the 40% threshold. If such conversion or exercise would cause i-STTI or its affiliates to exceed the 40% threshold, the Notes and Warrants become convertible or exercisable for shares of non-voting Series A-1 Preferred Stock.
(3) Includes 1,868,667 shares of common stock underlying shares of Series A Convertible Preferred Stock issued to i-STTI on December 31, 2002. Shares of Series A Convertible Preferred Stock must be converted to common stock prior to any sale pursuant to this registration statement.
(4) Following registration of these shares, some or all of these shares may be distributed pro rata among the general partner and limited partners of Columbia PIXC Partners III, L.L.C., Columbia PIXC Partners, L.L.C. and Columbia Capital Equity Partners (QP), L.P. Harry F. Hopper III, a member of Equinix s Board of Directors, is a managing member of Columbia PIXC Partners III.
(5) Includes 14,413 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(6) Includes 13,642 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(7) Includes 46,585 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(8) Includes 260 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(9) Includes 104 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(10) Includes 43,090 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(11) Includes 15,657 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(12) Includes 1,801 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(13) Includes 13,691 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(14) Includes 3,907 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(15) Includes 22,135 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.

(16) Includes 16,137 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(17) Includes 26,070 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(18) Includes 9,096 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(19) Includes 801 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(20) Includes 3,907 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(21) Includes 36,831 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(22) Includes 2,242 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(23) Includes 7,815 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(24) Includes 31,258 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(25) Includes 7,815 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(26) Includes 15,629 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(27) Includes 7,815 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(28) Includes 15,629 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(29) Includes 1,563 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(30) Includes 4,032 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(31) Includes 156 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(32) Includes 39 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.
(33) Includes 39 shares of common stock held in escrow in connection with the original issuance of the shares pursuant to the combination.

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PLAN OF DISTRIBUTION

The term selling stockholders, as used in this prospectus, includes limited partners, donees and pledgees selling shares that are received from a named selling stockholder.

The shares covered by this prospectus may be sold by the selling stockholders or their transferees, distributes, pledges, donees or other successors in interest at various times in one or more of the following transactions:

- In the over-the-counter market;
- On the Nasdaq National Market;
- In privately negotiated transactions; or
- In a combination of any of the above transactions.

The selling stockholders may sell their shares at market prices prevailing at the time of the sale, at prices related to such prevailing market prices, at negotiated prices or at fixed prices.

The selling stockholders may use broker-dealers to sell their shares. If this happens, broker-dealers will either receive discounts or commissions from the selling stockholders, or they will receive commissions from purchasers of shares for whom they acted as agents.

LEGAL MATTERS

The legality of the securities offered hereby will be passed upon for Equinix by Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP, Menlo Park, California.

EXPERTS

The consolidated financial statements of Equinix, Inc. as of December 31, 2002 and 2001 and for each of the three years in the period ended December 31, 2002 incorporated in this Registration Statement on Form S-3 by reference to the Annual Report on Form 10-K for the year ended December 31, 2002 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Pihana Pacific, Inc. as of December 31, 2001 and 2000 and for each of the two years in the period ended December 31, 2001 and for the period from June 11, 1999 (date of inception) to December 31, 1999 included in this Registration Statement on Form S-3 in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

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 at the SEC s Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Rooms. Our SEC filings are also available to the public from the SEC s website at http://www.sec.gov.

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

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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 will 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, 2002, filed on March 26, 2003.

2. Current Report on Form 8-K, filed January 2, 2003.

3. Current Report on Form 8-K, filed January 2, 2003.

4. Current Report on Form 8-K, filed March 5, 2003.

5. A description of Equinix common stock is contained in Equinix s registration statement prospectus, filed pursuant to Rule 424(b) on August 11, 2000.

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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UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS

The following unaudited pro forma combined consolidated condensed statement of operations has been prepared to give effect to the combination of Equinix, Inc. (Equinix or the Company), Pihana Pacific, Inc. (Pihana) and i-STT Pte Ltd (i-STT) using the purchase method of accounting (the Combination) and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined consolidated condensed statement of operations, including an investment in the Company by i-STT s parent company, STT Communications Ltd (STT Communications) (the Financing), and further reductions in amounts outstanding under both the Senior Notes and the Amended and Restated Credit Facility. The above noted transactions, specifically, the Combination, Financing and Senior Note Exchange, occurred on December 31, 2002. However, this pro forma statement of operations was prepared as if the Combination and related transactions had been completed as of December 31, 2001. Equinix continues to operate under the existing Equinix senior management team with Peter Van Camp as CEO and is headquartered in Foster City, California.

The unaudited pro forma combined consolidated condensed statement of operations is presented for illustrative purposes only and is not necessarily indicative of the financial position that would have actually been reported had the Combination, Financing and further reductions in amounts outstanding under both the Senior Notes and the Amended and Restated Credit Facility, occurred as of December 31, 2001 for statement of operations purposes, nor is it necessarily indicative of the future financial position. The unaudited pro forma combined consolidated condensed statement of operations includes adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of i-STT and Pihana, including intangible assets acquired in connection with i-STT. Any change in the fair value of the net assets of i-STT and Pihana will likely change the amount of the purchase price allocable to goodwill for i-STT and property and equipment for Pihana.

This unaudited pro forma combined consolidated condensed statement of operations is based upon the respective historical unaudited consolidated statement of operations of Equinix and Pihana and the historical unaudited consolidated statement of operations of i-STT, 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, i-STT and Pihana and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations contained in the definitive proxy statement filed with the Securities and Exchange Commission (SEC) on December 12, 2002.

Although i-STT is not significant under SEC Regulation S-X Rule 3-05, we have included i-STT s results of operations in the accompanying unaudited pro forma information because the Combination, Financing and Senior Note Exchange were consummated in conjunction with each other and we believe that the inclusion of i-STT is meaningful to the understanding of the Company s pro forma results of operations.

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2002

(In thousands, except per share data)

	Historical			Pro Forma	
	Equinix	Pihana	i-STT	Adjustments	Combined
Revenues	$ 77,188	$ 4,961	$ 11,113	$ (112)(a)	$ 93,150
Costs and operating expenses:					
Cost of revenues	104,073	30,354	11,633	(13,014)(b)	133,046
Sales and marketing	15,247	6,484	1,585	2,100(c)	25,416
General and administrative	30,659	9,815	4,185	(1,171)(d)	43,488
Restructuring and impairment charges	28,885	113,297		(101,683)(e)	40,499
Total costs and operating expenses	178,864	159,950	17,403	(113,768)	242,449
Loss from operations	(101,676)	(154,989)	(6,290)	113,656	(149,299)
Interest income	998	1,608	17	(4)(f)	2,619
Interest expense	(35,098)	(200)	(386)	13,656(g)	(22,028)
Gain on debt extinguishments	114,158			(114,158)(h)	
Equity in losses of affiliates			(867)		(867)
Taxes		242			242
Other		4,869	(490)	(5,254)(i)	(875)
Net loss	$ (21,618)	$ (148,470)	$ (8,016)	$ 7,896	$ (170,208)
Net loss per share basic and diluted	$ (7.23)				$ (20.39)
Shares used in per share calculation basic and diluted	2,990			5,358(j)	8,348

The accompanying notes are an integral part of this

unaudited pro forma combined consolidated condensed statement of operations.

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EQUINIX, INC.

NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS

The unaudited pro forma combined consolidated condensed statement of operations included herein has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and certain footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations; however, management believes that the disclosures are adequate to make the information presented not misleading.

1. BASIS OF PRO FORMA PRESENTATION

On October 2, 2002, the Company entered into a combination agreement (the Combination Agreement) to purchase all of the issued and outstanding stock of i-STT, a wholly-owned Internet infrastructure services subsidiary of STT Communications, in exchange for $10,000 and approximately 3.0 million shares of common and preferred stock, representing approximately 27.5% of the modified fully diluted share amount at closing and Pihana, a leading provider of neutral Internet exchange data center services and managed e-infrastructure services in Asia-Pacific, in exchange for $10,000 and approximately 2.4 million shares of common stock, or approximately 22.5% of the modified fully diluted share amount. These acquisitions are herein referred to as the Combination . The Combination was completed on December 31, 2002. The combined company continues to operate under the Equinix name and management. Separately, STT Communications made a $30.0 million strategic investment in the Company in the form of convertible secured notes with detachable warrants for the further issuance of approximately 1.0 million shares of stock. This transaction is herein referred to as the Financing . The Financing was completed on December 31, 2002. Equinix accounted for the Combination under the purchase method of accounting. In addition to giving effect to the Combination and Financing, this pro forma statement of operations has been adjusted to present the impact of the Senior Note Exchange and further reduction in the Amended and Restated Credit Facility discussed below. The Senior Note Exchange and further reduction in the Amended and Restated Credit Facility were also completed on December 31, 2002.

The parties to the transaction considered the guidance provided in paragraph 17 of Statement of Financial Accounting Standard 141, Business Combinations and determined that Equinix was the acquiring entity in the combination. This determination was based on a number of factors including the fact that the former Equinix stockholders will have the largest voting percentage of the outstanding stock. Following the issuance of common and redeemable preferred shares by Equinix in the Combination, the former Equinix stockholders have a 51.0% voting interest in the combined entity. In addition, Equinix is the larger entity and its current management team continues to run the day-to-day operations of the combined company, no party controls a majority of the board of directors and the combined company continues to operate under the Equinix name and is headquartered in Foster City, California.

In connection with the Combination, Equinix issued $30 million in the form of a convertible secured note, which is convertible into the Company s capital stock on a one for one basis. This note issued to STT Communications shall initially be convertible into shares of preferred stock at any time at the holder s option. There are two classes of preferred stock, Series A and Series A-1. Series A preferred stock is convertible at any time, at the option of the holder, into common stock of Equinix up to the point at which (a) STT Communications has a 40% voting interest in Equinix or (b) the value of voting interests held by STT Communications exceeds $50 million. Thereafter, conversion of the convertible secured note will result in the issuance of Series A-1, non-voting preferred shares. While STT Communications is able to convert their note at any time after the closing, there are a number of factors, in addition to the anticipated premium built into the conversion price, that suggest that this note will not be converted into equity. These include the fact that:

- the holder of the convertible secured note will enjoy the priority position of debt over equity;
- the holder of the convertible secured note will receive interest at the rate of 14% per annum, initially payable in PIK Notes (see Note 4 Financing) semi-annually in arrears, on the unpaid principal balance;

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EQUINIX, INC.

NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS (Continued)

the convertible secured note held is secured by the Asia-Pacific operations of the combined company, thereby providing security; and

the combined company will have approximately $82.5 million of debt due during 2005.

As a result of these factors, management does not expect the holder of the convertible secured note to convert voluntarily prior to maturity. In the event debt securities are converted and STT Communications voting interest is maximized (at 40%), Equinix would hold a 42.7% voting interest, STT Communications 40% and Pihana 17.3%.

In connection with the Combination and Financing, the Company entered into the Second Amendment to the Amended and Restated Credit Facility. The most significant terms and conditions of this amendment are:

The Company was granted a full waiver of previous covenant breaches and was granted consent to use cash in connection with the Senior Note Exchange (see Note 5 Senior Note Exchange).

Future revenue and EBITDA covenants were eliminated and the remaining minimum cash balance and maximum capital expenditure covenants and other ratios were reset consistent with the expected future performance of the combined Company for the remaining term of the loan.

The Company permanently repaid $8.5 million of the then currently outstanding $100.0 million balance bringing the total amount owed under this facility to $91.5 million.

The amortization schedule for the Credit Facility was amended such that the minimum amortization due in 2003-2004 was significantly reduced.

Also in connection with the Combination, Financing and further amendment to the Credit Facility, the Company obtained agreements from the holders of a large percentage of its outstanding Senior Notes whereby such holders agreed to tender their Senior Notes to the Company for a combination of cash and common stock and to amend the terms of the Senior Notes. This transaction is herein referred to as the Senior Note Exchange .

Furthermore, in connection with the Combination, Financing and Senior Note Exchange transactions described above, in order to comply with the requirements of the Nasdaq National Market, the Company initiated a 32 for 1 reverse stock split, which also took effect on December 31,

2002. All share and per share amounts have been adjusted to give effect to the stock split.

The unaudited pro forma combined consolidated condensed statement of operations for the year ended December 31, 2002 was prepared by combining the historical unaudited consolidated condensed statement of operations data for the year ended December 31, 2002 for Equinix and Pihana and the historical consolidated statement of operations data of i-STT, as adjusted to comply with generally accepted accounting principles in the United States, as if the Combination and related transactions had been consummated on December 31, 2001.

2. PURCHASE PRICE PIHANA

On December 31, 2002, a wholly-owned subsidiary of the Company merged with and into Pihana (the Pihana Acquisition). Pihana is a similar business to that of Equinix with IBX hub operations in Singapore; Tokyo, Japan; Sydney, Australia; Hong Kong, China, as well as Los Angeles and Honolulu in the U.S. The entire purchase price of $28,376,000 was comprised of (i) 2,416,379 shares of the Company s common stock, with a

EQUINIX, INC.

NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS (Continued)

total value of $25,517,000, (ii) total cash consideration and direct transaction costs of $2,701,000 and (iii) the value of Pihana shareholder warrants assumed in the Pihana Acquisition of $176,000 (the Pihana Shareholder Warrants). The fair market value of the Company s stock issued was determined using the five-trading-day average price of the Company s common stock surrounding the date the transaction was announced in October 2002. The fair value of the Pihana Shareholder Warrants, which represent the right to purchase 133,442 shares of the Company s common stock at an exercise price of $191.81 per share, was determined using the Black-Scholes option-pricing model and the following assumptions: fair market value per share of $5.70, dividend yield of 0%, expected volatility of 135%, risk-free interest rate of 4% and a contractual life of approximately 3 years.

The preliminary purchase price, including direct merger costs, have been allocated to assets acquired and liabilities assumed based on their estimated fair value at the date of acquisition. The estimated fair value of the assets and liabilities assumed is summarized as follows (in thousands):

Cash and cash equivalents	$	33,341
Accounts receivable		754
Other current assets		1,773
Property and equipment		5,691
Restricted cash		927
Other assets		2,329
Total assets acquired		44,815
Accounts payable and accrued expenses		(3,455)
Accrued restructuring charges and transaction fees		(9,470)
Other current liabilities		(42)
Capital lease obligations		(1,536)
Other liabilities		(1,936)
Net assets acquired	$	28,376

The Company accounted for the Pihana Acquisition using the purchase method. Included in the net liabilities assumed are total restructuring charges of $9,470,000, which relate primarily to the exit of the undeveloped portion of the Pihana Los Angeles IBX hub leasehold, severance related to an approximate 30% reduction in workforce, including several officers of Pihana and some transaction-related professional fees. A substantial portion of these costs were paid in January 2003. Prior to December 31, 2002, Pihana sold their Korean IBX hub operations, which was excluded from the Pihana Acquisition, terminated or amended several operating leaseholds and recorded a substantial impairment charge against the value of their property and equipment assumed in the Pihana Acquisition. While the Company does not expect there will be any changes to the Company s preliminary purchase price due to any unknown contingent liabilities or purchase price adjustments, any subsequent adjustment to the purchase price would likely result in a change to the amount of property and equipment assumed in the Pihana Acquisition.

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

The pro forma adjustments do not reflect any integration adjustments such as restructuring costs to be incurred in connection with the merger 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.

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EQUINIX, INC.

NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS (Continued)

3. PURCHASE PRICE i-STT

On December 31, 2002, a wholly-owned subsidiary of the Company acquired all issued and outstanding shares of i-STT from STT Communications (the i-STT Acquisition). i-STT is a similar business to that of Equinix with IBX hub operations in Singapore and Thailand. The entire purchase price of $34,365,000 was comprised of (i) 1,868,666 shares of the Company s Series A preferred stock and 1,084,686 shares of the Company s common stock, with a total value of $31,187,000 and (ii) total cash consideration and direct transaction costs of $3,178,000.

The fair value of the Company s stock issued was determined using the five-trading-day average price of the Company s common stock surrounding the date the transaction was announced in October 2002. The Company determined that the fair value of the Series A preferred stock and the common stock was the same because the material rights, preferences and privileges of Series A preferred stock and the common stock are virtually identical.

The preliminary purchase price, including direct merger costs, have been allocated to the net tangible and intangible assets acquired and liabilities assumed based on their estimated fair value at the date of acquisition. The Company retained the services of an independent valuation expert to assist with the determination of the fair value of the intangible assets. The estimated fair value of the assets and liabilities assumed is summarized as follows (in thousands):

Cash and cash equivalents	$	1,699
Accounts receivable		1,307
Other current assets		197
Property and equipment		10,824
Intangible asset customer contracts		3,600
Intangible asset tradename		300
Intangible asset goodwill		21,081
Other assets		100
Total assets acquired		39,108
Accounts payable and accrued expenses		(4,153)
Accrued restructuring charges		(400)
Other current liabilities		(190)
Net assets acquired	$	34,365

The Company accounted for the i-STT Acquisition using the purchase method. The customer contracts intangible asset will have a useful life of two years, the typical term of a customer contract, and the tradename intangible asset will have a useful life of one year, the contractual period under the Combination Agreement. Included in the net liabilities assumed, is an accrual of $400,000 representing the estimated costs to exit from an undeveloped IBX hub leasehold interest in Shanghai, China. The Company expects to exit this lease in 2003. While the Company does not expect there will be any changes to the Company s preliminary purchase price due to any unknown contingent liabilities or purchase price adjustments, any subsequent adjustment to the purchase price would likely result in a change to the amount of goodwill carried on the balance sheet.

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

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EQUINIX, INC.

NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS (Continued)

The pro forma adjustments do not reflect any integration adjustments such as restructuring costs to be incurred in connection with the merger 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.

4. FINANCING

In conjunction with the Combination, STT Communications made a $30.0 million strategic investment in the Company in the form of a convertible secured notes (the Convertible Secured Note) with a detachable warrant for the further issuance of 965,674 shares of preferred stock (the Convertible Secured Note Warrant), valued at $4,646,000 (the Financing). The Convertible Secured Note bears non-cash interest at an interest rate of 14% per annum, payable semi-annually in arrears, and has an initial term of five years. Interest on the Convertible Secured Note will be payable in kind in the form of additional convertible secured notes having a principal amount equal to the amount of interest then due having terms which are identical to the terms of the Convertible Secured Note (the PIK Notes). The Convertible Secured Note and Convertible Secured Note Warrant cannot be converted into shares of voting stock for a two-year period, except under certain limited circumstances as defined in the agreements. Notwithstanding this, STT Communication s voting ownership is limited to 40% of the outstanding shares of the combined company.

The Convertible Secured Note Warrant was valued at $4,646,000. The fair value of the Convertible Secured Note Warrant was calculated under the provisions of APB 14 and determined using the Black-Scholes option-pricing model under the following assumptions: contractual life of five years, risk-free interest rate of 4%, expected volatility of 135% and no expected dividend yield. The Company has considered the guidance in EITF Abstract No. 98-5, Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios , and has determined that the Convertible Secured Note does not contain a beneficial conversion feature as the fair value of the Company s common stock on the date of issuance, was less than the stock conversion ratio outlined in the agreement. The allocated value to the Convertible Secured Note Warrant of $4,646,000 will be amortized using the effective interest rate method to interest expense over the five-year term of the Convertible Secured Note.

As the PIK Notes have terms that are identical to the terms of the Convertible Secured Note, the PIK Notes may have a beneficial conversion feature. Any beneficial conversion feature associated with the PIK Notes, which will be issued semi-annually, would result in an incremental charge to the Company s interest expense over the term of the Convertible Secured Note and PIK Notes.

The costs related to the Financing of approximately $575,000 were capitalized and are being amortized to interest expense using the effective interest method, over the life of the Convertible Secured Note.

5. SENIOR NOTE EXCHANGE

In December 2002, the Company, in connection with, and as a condition to closing the Combination and Financing, initiated an exchange offer to substantially reduce the amount of Senior Notes then outstanding in order to improve the Company s existing capital structure and reduce the amount of outstanding debt of the Company, which we refer to herein as the Senior Note Exchange . The Senior Note Exchange was contingent on both the Combination and Financing closing, all of which were subject to stockholder vote. The Combination, Financing and Senior Note Exchange closed on December 31, 2002, and the Company retired an additional $116,774,000 of Senior Notes plus forgiveness of $8,855,000 of accrued and unpaid interest thereon in exchange for 1,857,436 shares of the Company s common stock, valued at $12,482,000 based on the actual exchange date of the Senior Notes and $15,181,000 of cash. The Company wrote-off a proportionate amount of unamortized

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EQUINIX, INC.

NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS (Continued)

debt issuance costs and debt discount associated with these Senior Notes totaling $2,492,000 and $6,004,000, respectively. The Company incurred debt extinguishment costs totaling approximately $2,500,000 in connection with the retirement of these Senior Notes and recognized a gain on these transactions of $86,970,000. In conjunction with the Combination, Financing and Senior Note Exchange, the Company amended the Indenture governing the Senior Notes in order to allow the Combination and Financing to occur.

During the first half of 2002, the Company retired $52.8 million of Senior Notes in exchange for approximately 500,000 shares of common stock and approximately $2.5 million of cash, and as a result, recognized a $27.2 million gain on debt extinguishment.

6. FURTHER AMENDMENT OF CREDIT FACILITY

In connection with the Combination, Financing and Senior Note Exchange, the Company entered into the Second Amendment to the Amended and Restated Senior Credit Facility. As part of the Second Amendment to the Amended and Restated Senior Credit Facility, the Company permanently repaid $8.5 million of the amount currently outstanding ($100.0 million). In addition, amendment fees, which were paid to the lenders of $1.3 million, have been reflected as additional debt issuance costs, which will be amortized to interest expense over the remaining term of this facility.

7. PRO FORMA ADJUSTMENTS

The accompanying unaudited pro forma combined consolidated condensed statement of operations has been prepared assuming the transactions described above were completed on December 31, 2001.

The unaudited pro forma combined consolidated condensed statement of operations gives effect to the following pro forma adjustments:

(a) Represents the reversal of revenues related to Pihana s Korean subsidiary excluded from the Pihana Acquisition.

(b) Represents (i) the reversal of excess Pihana depreciation as its historical property and equipment was ascribed significantly less value in the acquisition and (ii) the reversal of depreciation and operating expenses related to Pihana s Korean subsidiary excluded from the Pihana Acquisition.

(c) Represents (i) the amortization of the i-STT customer contract intangible resulting from the i-STT Acquisition, over an estimated useful life of 24 months and (ii) the amortization of the i-STT tradename intangible resulting from the i-STT Acquisition, over an estimated useful life of 12 months.

(d) Represents the reversal of excess Pihana depreciation as its historical property and equipment was ascribed significantly less value in the Pihana Acquisition.

(e) Represents the reversal of Pihana s $101,683,000 impairment charge for long-lived assets, representing the impairment of Pihana s property and equipment that it recorded, as these assets were ascribed a significantly lower fair value at the closing of the Pihana Acquisition due to the purchase price.

(f) Represents the reversal of interest income generated by cash held by Pihana s Korean subsidiary excluded in the Pihana Acquisition.

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EQUINIX, INC.

NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED

CONDENSED STATEMENT OF OPERATIONS (Continued)

(g) Represents (i) the additional interest expense associated with the Convertible Secured Note issued in the Financing, (ii) the reversal of interest expense associated with the retirement of Senior Notes under the Senior Note Exchange and (iii) the reversal of interest expense associated with the repayments of the Credit Facility as follows (in thousands):

	For the year ended December 31, 2002
Interest expense from Convertible Secured Note	$ (4,200)
Interest expense associated with Convertible Secured Note Warrant	(983)
Interest expense associated with the Convertible Secured Note issuance costs	(116)
Interest expense savings associated with Senior Note exchanges	18,632
Net interest expense savings associated with Credit Facility repayments	268
Interest expense related to Korean subsidiary excluded from Pihana acquisition	55
Net change to interest expense	$ 13,656

(h) Represents the reversal of the gain on debt extinguishments associated with the historical Senior Note debt exchanges during the year ended December 31, 2002 as these unaudited pro forma financial statements assume that these retirements took place as of December 31, 2001.

(i) Represents the reversal of other income and expense related to Pihana s Korean subsidiary excluded in the Pihana Acquisition, primarily the gain recognized on the sale of the Korean subsidiary.

(j) Represents the shares of common stock associated with the Combination and Senior Note Exchange as described above as if they were outstanding as of December 31, 2001 as follows (in thousands):

Common stock issued in connection with Pihana acquisition	2,416
Common stock issued in connection with i-STT acquisition	1,085
Common stock issued in connection with Senior Note exchange	1,857
	5,358

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders

of Pihana Pacific, Inc.

In our opinion, the consolidated financial statements listed in the index appearing on page F-1 present fairly, in all material respects, the financial position of Pihana Pacific, Inc. and its subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for the years then ended and for the period from June 11, 1999 (date of inception) to December 31, 1999, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

San Jose, California

October 17, 2002

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PIHANA PACIFIC, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

	September 30, 2002	December 31, 2001	December 31, 2000
	(unaudited)		
Assets			
Current assets:			
Cash and cash equivalents	$ 5,074	$ 35,077	$ 161,104
Short-term investments	33,391	32,665	30,522
Accounts receivable, net	493		