

EQUINIX INC
 Form FWP
 September 21, 2007

Issuer Free Writing Prospectus to

Preliminary Prospectus

Registration Statement No. 333-146064

Dated September 20, 2007

Filed pursuant to Rule 433

This term sheet to the preliminary prospectus dated September 14, 2007 should be read together with the preliminary prospectus before making a decision in connection with an investment in the notes. The information in this term sheet supersedes the information contained in the preliminary prospectus to the extent that it is inconsistent therewith. Terms used but not defined herein have the meaning ascribed to them in the preliminary prospectus.

Issuer:	Equinix, Inc.	
Size:	\$350,000,000 (\$395,986,000 including over-allotment option)	
Maturity:	October 15, 2014	
Coupon:	3.00%	
Price to public:	100% of face amount, plus accrued interest, if any, from September 26, 2007	
Underwriting discount:	2.625%	
Net proceeds:	\$340,362,500 (after deducting underwriting discounts and estimated net offering expenses) assuming no exercise of the over-allotment option	
Interest payment dates:	April 15 and October 15, commencing April 15, 2008	
Base conversion rate:	7.4360 shares per \$1,000 principal amount of notes (equivalent to base conversion price of approximately \$134.48 per share)	
Incremental share factor:	4.4616	
Trade date/Settlement date:	September 20, 2007/September 26, 2007	
Underwriters:	Citi	\$262,500,000
	Credit Suisse	\$ 42,000,000
	Jefferies & Company	\$ 17,500,000
	UBS Investment Bank	\$ 17,500,000
	Barclays Capital	\$ 10,500,000

We have filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus included in that registration statement and other documents we have filed with the SEC for more complete information about us and this offering. You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, we, Citigroup Global Markets Inc. or any other underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1-877-858-5407.

CONCURRENT STOCK OFFERING

Concurrently with this offering, we are offering 3,662,556 shares of our common stock (up to 4,211,939 shares if the underwriters exercise their over-allotment option in full) pursuant to a separate registration statement, prospectus and free writing prospectus. The completion of this offering and the concurrent common stock offering are each conditioned upon the concurrent completion of the other offering. We estimate that the net proceeds from our concurrent common stock offering will be approximately \$295.5 million or \$339.8 million if the underwriters exercise their over-allotment option in full, after deducting underwriting discounts and estimated offering expenses.

CAPITALIZATION

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

on an actual basis; and

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

This table assumes no exercise of the underwriters' over-allotment option and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, the Unaudited Pro Forma Combined Consolidated Condensed Financial Statements and our financial statements, including all related notes, included or incorporated by reference in the preliminary prospectus to which this communication relates.

	As of June 30, 2007	
	Actual	Pro Forma
	(dollars in thousands)	
Cash, cash equivalents and short-term and long-term investments	\$ 323,966	\$ 416,894
Current portion of capital lease and other financing obligations	\$ 2,197	\$ 3,340
Current portion of mortgage and loans payable	\$ 2,288	\$ 2,778
Long-term debt, net of current portion:		
Capital lease and other financing obligations	\$ 91,557	\$ 94,547
Mortgage and loans payable	164,841	247,307
2.50% convertible subordinated debentures due 2024 ⁽¹⁾	32,250	32,250
2.50% convertible subordinated notes due 2012 ⁽²⁾	250,000	250,000
3.00% convertible subordinated notes due 2014 offered hereby ⁽³⁾		350,000
Total long-term debt	538,648	974,104
Stockholders' equity:		
Preferred stock, \$0.001 par value per share; 100,000,000 shares authorized actual and pro forma; no shares issued and outstanding actual and pro forma		
Common stock, \$0.001 par value per share; 300,000,000 shares authorized actual and pro forma; 31,751,248 shares issued and outstanding actual and 35,413,804 shares issued and outstanding pro forma ⁽⁴⁾	32	35
Additional paid-in capital	995,555	1,291,011
Accumulated other comprehensive income	3,770	3,770
Accumulated deficit	(556,683)	(559,547)
Total stockholders' equity	442,674	735,269
Total capitalization	\$ 981,322	\$ 1,709,373

(1) Our 2.50% convertible subordinated debentures due 2024 were convertible into 816,457 shares of common stock as of June 30, 2007.

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- (2) Our 2.50% convertible subordinated notes due 2012 were convertible into 2,231,475 shares of common stock as of June 30, 2007.

- (3) The notes offered hereby would have been convertible into 2,602,600 shares of common stock as of June 30, 2007.

- (4) Excludes 3,734,821 shares of common stock issuable upon the exercise of outstanding options and release of restricted stock and restricted stock units as of June 30, 2007, 9,490 shares of common stock issuable upon the exercise of outstanding common stock warrants as of June 30, 2007, 816,457 shares reserved for the conversion of our 2.50% convertible subordinated debentures due 2024 as of June 30, 2007, 2,231,475 shares reserved for the conversion of our 2.50% convertible subordinated notes due 2012 as of June 30, 2007 and 2,602,600 shares issuable upon conversion of the notes offered hereby on a pro forma basis as of June 30, 2007.

Change of Control Effective Date	Additional Shares Issued For Make-Whole per Note (Par of \$1,000)											
	\$84.05	\$100.00	\$115.00	\$130.00	\$145.00	\$160.00	\$175.00	\$200.00	\$300.00	\$400.00	\$500.00	\$750.00
September 26, 2007	4.4616	4.1519	3.9947	3.9087	3.5396	3.1302	2.8016	2.3786	1.4561	1.0254	0.7751	0.4500
October 15, 2008	4.4616	3.9035	3.7356	3.6516	3.2909	2.8928	2.5768	2.1748	1.3189	0.9280	0.7025	0.4098
October 15, 2009	4.4616	3.6452	3.4577	3.3712	3.0170	2.6302	2.3273	1.9483	1.1666	0.8200	0.6216	0.3646
October 15, 2010	4.4616	3.3630	3.1397	3.0431	2.6930	2.3175	2.0296	1.6779	0.9862	0.6923	0.5259	0.3103
October 15, 2011	4.4616	3.0550	2.7717	2.6541	2.3048	1.9418	1.6720	1.3548	0.7759	0.5448	0.4151	0.2465
October 15, 2012	4.4616	2.7256	2.3363	2.1766	1.8225	1.4750	1.2306	0.9621	0.5327	0.3759	0.2877	0.1719
October 15, 2013	4.4616	2.5640	1.8019	1.5441	1.1729	0.8525	0.6547	0.4717	0.2545	0.1820	0.1396	0.0832
October 15, 2014	4.4616	2.5640	1.2596	0.2563	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The conversion rate, including any additional shares added to the conversion rate in connection with a make-whole fundamental change, will not exceed 11.8976 (which is equal to a conversion price of \$84.05 per share); however, such maximum conversion rate will be appropriately adjusted for all base conversion rate adjustments (and adjustments to the incremental share factor) described under Anti-dilution Adjustments Adjustment Events in the preliminary prospectus.

UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The unaudited pro forma combined consolidated condensed financial statements included in this free writing prospectus have been updated from those contained in the preliminary prospectus dated September 14, 2007 solely to reflect: (i) the final terms of the Convertible Debt Offering and the Common Stock Offering, as those terms are defined below; and (ii) a decrease in the pro forma amount of goodwill as of June 30, 2007 from \$423,147,000 to \$421,889,000.

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

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

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

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET

AS OF JUNE 30, 2007

(In thousands)

	Historical		IXEurope Acquisition Related Adjustments (Note 9)	Pro Forma		Combined
	Equinix	IXEurope (Note 2)		Combined	Other Adjustments (Note 10)	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 234,598	\$ 7,806	\$ 100,041 ^(a)	\$ 342,445	\$ (14,919) ^(p)	\$ 327,526
Short-term investments	67,728			67,728		67,728
Accounts receivable, net	28,140	12,016		40,156		40,156
Prepaid expenses and other current assets	9,599	5,364		14,963		14,963
Total current assets	340,065	25,186	100,041	465,292	(14,919)	450,373
Long-term investments	21,640			21,640		21,640
Property and equipment, net	760,175	90,755	41,180 ^(b)	892,110	63,708 ^(q)	955,818
Goodwill	16,914	6,513	398,462 ^(c)	421,889		421,889
Intangible assets, net	385	408	62,642 ^(d)	63,435		63,435
Debt issuance costs, net	14,603	4,912	1,862 ^(e)	21,377	614 ^(r)	21,991
Other assets	21,669	12,085		33,754	(6,500) ^(s)	27,254
Total assets	\$ 1,175,451	\$ 139,859	\$ 604,187	\$ 1,919,497	\$ 42,903	\$ 1,962,400
LIABILITIES AND STOCKHOLDERS EQUITY						
Current liabilities:						
Accounts payable and accrued expenses	\$ 35,425	\$ 20,614	\$ 17,516 ^(f)	\$ 73,555	\$ 614 ^(t)	\$ 74,169
Accrued property and equipment	71,216	9,432		80,648		80,648
Current portion of accrued restructuring charges	13,687			13,687		13,687
Current portion of capital lease and other financing obligations	2,197	1,143		3,340		3,340
Current portion of mortgage and loan payable	2,288	490		2,778		2,778
Other current liabilities	11,903	9,754	(1,125) ^(g)	20,532		20,532
Total current liabilities	136,716	41,433	16,391	194,540	614	195,154
Accrued restructuring charges, less current portion	22,729			22,729		22,729
Capital lease and other financing obligations, less current portion	91,557	2,990		94,547		94,547
Mortgage and loan payable, less current portion	164,841	38,653		203,494	43,813 ^(u)	247,307
Convertible debt	282,250		350,000 ^(h)	632,250		632,250
Deferred rent and other liabilities	34,684	7,846	(5,862) ⁽ⁱ⁾	36,668	(1,524) ^(v)	35,144
Total liabilities	732,777	90,922	360,529	1,184,228	42,903	1,227,131
Stockholders' equity:						
Total stockholders' equity	442,674	48,937	243,658 ^(j)	735,269		735,269
Total liabilities and stockholders' equity	\$ 1,175,451	\$ 139,859	\$ 604,187	\$ 1,919,497	\$ 42,903	\$ 1,962,400

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

financial statements.

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2006

(In thousands, except per share data)

Equinix	Historical IXEurope	Pro Forma
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