EQUINIX INC
Form PREM14A
October 18, 2002

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-11(c) or § 240.14a-12

EQUINIX, INC.

(Name of Registrant As Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No Fee required.

x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Ordinary shares, par value S$1.00 per share (the i-STT Ordinary Shares) of i-STT Pte Ltd (i-STT)
Series A Redeemable Preferred Stock, par value $0.001 per share (the Pihana Series A Preferred Stock), of Pihana Pacific, Inc. (Pihana)
Series B Convertible Preferred Stock, par value $0.001 per share, of Pihana (the Pihana Series B Preferred Stock)

(2) Aggregate number of securities to which transaction applies:

54,000,000 i-STT Ordinary Shares
5,000,000 shares of Pihana Series A Preferred Stock
80,189,964 shares of Pihana Series B Preferred Stock
4,587,384 warrants to acquire shares of Pihana Series B Preferred Stock (the Pihana Warrants)

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

$0.555 per i-STT Ordinary Share (a)
$0.001 per share of Series A Preferred Stock (b)
$0.001 per share of Series B Preferred Stock (c)
$5.580 per Pihana Warrant (d)

(a) Calculated per Rule 0-11(c) under the Securities Exchange Act of 1934, as amended (the Exchange Act), based on the par value per i-STT Ordinary Share (translated using the October 15, 2002 noon buying rate of the Federal Reserve Bank of New York of $0.5548 Singapore Dollars per United States Dollar) because i-STT has an accumulated deficit.

(b) Calculated per Rule 0-11(c) under the Exchange Act, based on the par value per share of Series A Preferred Stock because Pihana has an accumulated deficit.

(c) Calculated per Rule 0-11(c) under the Exchange Act, based on the par value per share of Series B Preferred Stock because Pihana has an accumulated deficit.

(d) Represents the exercise price of each Pihana Warrant.

(4) Proposed maximum aggregate value of transaction:

$2,997,000 for the i-STT Ordinary Shares
$5,000 for the Series A Preferred Stock
$80,190 for the Series B Preferred Stock
$25,597,602 for the Pihana Warrants
$28,679,792 for the transaction

(5) Total fee paid:

$5,277 (e)

(e) Calculated as $92.00 per $1,000,000 of the proposed maximum aggregate value of the transaction.

¨ Fee paid previously with preliminary materials:

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

, 2002

TO THE STOCKHOLDERS OF EQUINIX, INC.

Dear Stockholder:

A special meeting of stockholders of Equinix, Inc. will be held at the offices of Willkie Farr & Gallagher located at 787 Seventh Avenue, New York, New York 10019 on , 2002, beginning at 9:00 a.m. Eastern Time.

On October 2, 2002, we entered into agreements to consummate a series of related acquisition and financing transactions. Under the terms of these agreements, we intend to combine our existing Internet exchange business with two similar businesses through the acquisition of the outstanding stock of i-STT Pte Ltd from STT Communications Ltd and a merger of one of our subsidiaries with Pihana Pacific, Inc. Second, we intend to sell a minimum of $30.0 million and up to $40.0 million of convertible secured notes to investors, including STT Communications, to finance continuing operations and to reduce our outstanding debt. These notes will be convertible into shares of our common stock and preferred stock. In connection with these transactions, we intend to amend our credit facility to remove restrictive financial covenants, including those related to our achieving minimum quarterly revenue and EBITDA results, and to reduce our outstanding debt by exchanging a large portion of our outstanding 13% senior notes due 2007 for a combination of cash and shares of our common stock. Each of these transactions is more fully described in this proxy statement. In connection with the special meeting, you are being asked to vote in favor of the issuance of shares of our common stock and preferred stock in connection with these transactions.

In addition, we intend to adopt a new certificate of incorporation through a merger with one of our wholly-owned subsidiaries. This certificate will authorize sufficient shares of our common stock and preferred stock for issuance in this transaction and will effect a reverse stock split. The goal of this reverse stock split is to increase the trading price of our common stock on The Nasdaq National Market to a price in excess of Nasdaq s $1.00 minimum bid price for a sustained period of time. In connection with the special meeting, you are being asked to vote in favor of the merger with our wholly-owned subsidiary.

Our board of directors has approved these transactions, and recommends that you vote **FOR** each of the proposals described in this proxy statement.

It is important that your shares be represented and voted at the meeting. **WHETHER OR NOT YOU PLAN TO ATTEND OUR SPECIAL MEETING, PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.** Returning the proxy does **NOT** deprive you of your right to attend the special meeting. If you decide to attend the special meeting and wish to change your proxy vote, you may do so automatically by voting in person at the meeting.

On behalf of the board of directors, I would like to express our appreciation for your continued interest in the affairs of Equinix. We look forward to seeing you at the special meeting.

Sincerely,

Peter F. Van Camp
Chairman of the Board
and Chief Executive Officer

This proxy statement and the related proxy card was first mailed to our stockholders on or about , 2002.

EQUINIX, INC.
2450 Bayshore Parkway
Mountain View, CA 94043

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To be held , 2002

A special meeting of stockholders of Equinix, Inc. will be held at the offices of Willkie Farr & Gallagher located at 787 Seventh Avenue, New York, New York 10019, on , 2002, beginning at 9:00 a.m. Eastern Time for the following purposes:

1. To approve the issuance of shares of our common stock and preferred stock in connection with the combination of our business with the businesses of i-STT Pte Ltd and Pihana Pacific, Inc., the issuance of convertible secured notes in connection with a new debt financing pursuant to which we will raise a minimum of $30.0 million and a maximum of $40.0 million and the exchange of a significant portion of our senior notes for a combination of cash and shares of our common stock.

2. To adopt the agreement and plan of merger, dated as of October 17, 2002, by and between Eagle Oasis, Inc., our wholly-owned subsidiary, and us.

The foregoing items of business are more fully described in this proxy statement.

Only stockholders of record at the close of business on , 2002 are entitled to notice of, and to vote at, the special meeting and at any adjournments or postponements thereof. A list of such stockholders will be available for inspection at our headquarters located at 2450 Bayshore Parkway, Mountain View, California 94043, during ordinary business hours for the ten-day period prior to the special meeting.

BY ORDER OF THE BOARD OF DIRECTORS,
Peter F. Van Camp
Chairman of the Board
and Chief Executive Officer

Mountain View, California
, 2002

IMPORTANT

WHETHER OR NOT YOU PLAN TO ATTEND OUR SPECIAL MEETING, PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. YOU MAY REVOKE YOUR PROXY AT ANY TIME PRIOR TO THE SPECIAL MEETING. IF YOU DECIDE TO ATTEND OUR SPECIAL MEETING AND WISH TO CHANGE YOUR PROXY VOTE, YOU MAY DO SO AUTOMATICALLY BY VOTING IN PERSON AT THE MEETING.

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QUESTIONS AND ANSWERS ABOUT THE COMBINATION, THE FINANCING, THE SENIOR NOTE EXCHANGE, THE AMENDMENT TO THE CREDIT FACILITY AND THE CHARTER MERGER

Q: Why am I receiving this proxy statement?

A: You are receiving this proxy statement in connection with a special meeting of our stockholders to approve transactions more fully described in this proxy statement.

Q: When and where will the special meeting of Equinix stockholders be held?

A: , 2002 beginning at 9 a.m., local time, at the offices of Willkie Farr & Gallagher at 787 Seventh Avenue, New York, New York 10019.

Q: What proposals am I being asked to vote for?

A: On October 2, 2002, we entered into agreements to consummate a series of related acquisition and financing transactions that will result in our issuance of shares of our common stock and preferred stock (and instruments convertible or exercisable into shares of our common stock and preferred stock) that will represent approximately 77.5% of our capital stock as of the closing of those transactions. Under the listing rules of The Nasdaq National Market we are required to seek the approval of our stockholders when we propose to issue new shares of stock, or instruments convertible or exercisable into new shares of stock, in excess of 20% of our outstanding capital stock. The following is a brief description of the transactions:

First, we intend to combine our existing Internet exchange business with two similar businesses through the acquisition of the outstanding stock of i-STT Pte Ltd from STT Communications Ltd and a merger of one of our subsidiaries with Pihana Pacific, Inc. pursuant to the terms of a combination agreement that we entered into on October 2, 2002. We call this transaction the combination.

Second, we intend to sell a minimum of $30.0 million and up to $40.0 million of convertible secured notes to STT Communications and other investors to finance continuing operations and a reduction of our outstanding debt pursuant to the terms of a securities purchase agreement that we entered into on October 2, 2002. These notes will be convertible into shares of our common stock and preferred stock. We call this transaction the financing.

Finally, we intend to significantly reduce our outstanding debt by exchanging a large portion of our 13% senior notes due 2007, or our senior notes, for a combination of cash and shares of our common stock. We call this transaction the senior note exchange.

In Proposal 1, you are being asked to vote for the issuance of shares of our common stock and preferred stock in connection with the combination, the financing and the senior note exchange.

We do not have a sufficient number of authorized and unissued shares to complete the combination, the financing and the senior note exchange. Therefore, we need to increase the number of authorized shares of our common stock and preferred stock. In addition, we need to increase our trading price by effecting a reverse stock split. The goal of the reverse stock split is to increase the trading price of our common stock on The Nasdaq National Market to a price in excess of $1.00 for a sustained period of time. While the reverse stock split will reduce the number of shares of common stock you hold, it will not by itself change your relative percentage ownership of our common stock as compared to our other stockholders.

To accomplish the increase in authorized shares of common stock and preferred stock and the reverse stock split, Eagle Oasis, Inc., one of our wholly-owned subsidiaries, will merge with and into us. We call this transaction the charter merger.

As a result of the charter merger, the certificate of incorporation of Eagle Oasis, Inc. will become our certificate of incorporation. The Eagle Oasis, Inc. certificate of incorporation that we assume in the charter merger will contain sufficient authorized shares of preferred stock and common stock to complete the combination, the financing and the senior note exchange and will effect the reverse stock split. The actual number of authorized shares and the reverse stock split ratio will be determined by our officers immediately prior to the closing based on the trading price of our stock and market conditions at the time of closing.

In Proposal 2, you are being asked to adopt the agreement and plan of merger, dated October 17, 2002, by and between us and Eagle Oasis, Inc., our wholly-owned subsidiary, that will implement the charter merger.

Q: What will happen if all of the proposals are not approved at the special meeting?

A: If our stockholders do not approve the issuance of our stock in connection with the combination, the financing and the senior note exchange, we will most likely file for protection under federal bankruptcy law. See Risk Factors beginning on page 19.

Q: What are the material terms of the combination?

A: In the acquisition of i-STT, one of our indirect wholly-owned subsidiaries will purchase all of i-STT s issued and outstanding stock from STT Communications. In consideration for the i-STT acquisition, we expect to pay $10,000 and issue to STT Communications shares of our common stock and Series A preferred stock representing approximately 28.3% of our capitalization as of the closing.

In the acquisition of Pihana, we will acquire Pihana through a merger of one of our indirect wholly-owned subsidiaries with Pihana. As consideration for the Pihana merger, we expect to pay $10,000 and issue to the holders of Pihana s preferred stock, shares of our common stock representing approximately 23.2% of our capitalization as of the closing.

The number of shares of our common and preferred stock to be issued to STT Communications and Pihana stockholders is subject to adjustment based on our and i-STT s working capital balance at the time of closing and the amount of cash Pihana has at the time of closing.

Q: What are the material terms of the convertible secured notes that will be issued in the financing?

A: Each convertible secured note issued to STT Communications will be convertible into shares of our Series A preferred stock or non-voting shares of Series A-1 preferred stock and will accrue interest at the rate of 14% per annum. All convertible secured notes issued to other investors will be convertible into shares of our common stock and accrue interest at the rate of 10% per annum. All interest will be paid in the form of additional convertible secured notes. All of the convertible secured notes will mature in November 2007.

All convertible secured notes will be convertible into shares of our common stock and preferred stock at a price of approximately $0.34 per share, which represents a 10% premium over the 30 trading day average closing price of our common stock ending five days prior to signing the combination agreement. The convertible secured notes issued to STT Communications will be secured by a first priority lien on all of

i-STT s assets and the assets of Pihana s Singapore subsidiary. All of the convertible secured notes will be secured by a second priority lien on substantially all of our remaining assets.

As additional consideration for the convertible secured notes, we will issue warrants to each purchaser of convertible secured notes. Warrants issued to STT Communications will be exercisable for shares of our Series A preferred stock or shares of our non-voting Series A-1 preferred stock. All other warrants will be exercisable for our common stock. Each financing warrant will initially be exercisable for $0.01 per share.

Until the second anniversary of the closing, shares of our non-voting Series A-1 preferred stock will be issued to STT Communications upon conversion of convertible secured notes or exercise of warrants if the exercise or conversion would cause STT Communications to hold more than 40% of our voting stock.

Q: What are the terms of the senior note exchange?

A: As a condition to closing the combination and financing, we are required to substantially reduce the outstanding amount of our senior notes so that no more than $22.3 million is outstanding under the notes. This condition requires us to retire at least $124.9 million of our outstanding senior notes. Prior to signing the combination agreement, we received offers to exchange outstanding senior notes from the holders of $101.2 million of our senior notes, leaving more than $23.7 million additional senior notes that we are required to exchange in the senior note exchange in order to close the combination and the financing. In connection with the combination and financing, we will make an offer to exchange cash and shares of our common stock for all of our outstanding senior notes. For each $1,000 in principal amount of senior notes exchanged, a holder of our senior notes will receive cash and shares of our common stock based on the following schedule of principal amounts of senior notes exchanged:

Amount Exchanged	Cash Consideration	Stock Consideration*
equal to or greater than $115.0 million but less than $125.0 million	$130	Approximately 472-513 shares
equal to or greater than $125.0 million but less than $132.5 million	$140	Approximately 394-417 shares
equal to or greater than $132.5 million but less than $140.0 million	$150	Approximately 326-345 shares
equal to or greater than $140.0 million but less than $147.2 million	$160	Approximately 268-282 shares
equal to $147.2 million	$170	Approximately 229 shares

* The number of shares issued per $1,000 in principal amount of senior notes is dependent on the principal amount of senior notes exchanged within each range.

If $115.0 million of the senior notes are exchanged, approximately 513 shares of common stock will be issued per $1,000 in principal amount of senior notes.

If $125.0 million of the senior notes are exchanged, approximately 472 shares of common stock will be issued per $1,000 in principal amount of senior notes. Amounts exchanged between $115.0 million and $125.0 million will result in a sliding scale of common shares issued of between 513 and 472 shares. The share amounts shown assume we issue $30.0 million of convertible secured notes and related warrants in the financing.

The stock consideration received in the exchange will be calculated as a percentage of outstanding shares; accordingly, the share amounts shown above are for illustrative purposes only.

Prior to closing, we will commence an exchange offer for all of our outstanding senior notes, and the holders of the senior notes will have 20 business days to tender their senior notes to us in exchange for the consideration described above. See The Senior Note Exchange beginning on page 73.

Q: What will be the relative ownership among our existing stockholders, the holders of senior notes who exchange their senior notes, STT Communications and the former stockholders of Pihana following the closing?

A: The closing of the combination, the financing and the senior note exchange will significantly change our ownership structure. The table below indicates the relative ownership percentage of the combined company that will be owned by our existing stockholders, the holders of our senior notes who exchange their senior notes, STT Communications and the former stockholders of Pihana. These percentages are subject to adjustment at closing based on closing conditions in the transaction documents. See The Combination beginning on page 48.

	Approximate % of our Capital Stock	
Stockholders	**Following the closing of the Combination**	**Following the financing ****
Existing stockholders*	30.7%	22.5%
Senior noteholders participating in the exchange***	17.8%	13.1%
STT Communications	28.3%	47.4%
Former Pihana preferred stockholders	23.2%	17.0%

* Our existing stockholders capital stock is calculated based on the total number of shares of our common stock outstanding, plus all shares of our common stock issuable upon the exercise of our outstanding stock options and warrants with an exercise price less than $0.306 per share (as adjusted for the assumed cashless exercise of those options and warrants).

** The percentages in this column assume we issue $30.0 million of convertible secured notes and related warrants in the financing to STT Communications, and the subsequent conversion of all notes and the exercise of all warrants issued to STT Communications into capital stock, but does not include shares of our stock issuable upon exercise of the change in control warrants and cash trigger warrants described in this proxy statement. For two years following the closing, STT Communications has agreed to convert its convertible secured notes and warrants into shares of our non-voting preferred stock if conversion of the notes and warrants would cause STT Communications to hold more than 40% of our outstanding voting stock. This restriction will expire before the second anniversary of the closing if enumerated events occur. See Goverance of the Combined Company beginning on page 78.

*** This assumes $124.9 million of our senior notes are exchanged.

Unless otherwise noted, references in this proxy statement to the combined company s capitalization are based on the assumptions and methodologies contained in the foregoing table.

Q: How will the combined company be governed?

A: *Nomination of Directors*. Following the closing, our board of directors will consist of nine members who will be nominated for two years following the closing, as follows:

Three members of our pre-combination board of directors will remain on the board following the combination. Any vacancies among these directors will be filled based on the nomination of the two directors who remain following the creation of that vacancy. One of these directors must at all times qualify as an independent director under the rules of The Nasdaq National Market. We call these directors the Equinix directors.

Three members of our board of directors will be individuals nominated by STT Communications. We call these directors the STT Communications directors.

One member of our board of directors will be an individual nominated by the former preferred stockholders of Pihana.

Two members of our board of directors will be individuals nominated by our nominating committee who qualify as independent directors under the rules of The Nasdaq National Market.

After the two year period expires, all directors will be elected by a plurality of votes cast at a meeting of our stockholders.

To the extent additional independent directors must be nominated to our board under the rules of The Nasdaq National Market, STT Communications and the Pihana stockholders have each agreed to nominate one director who qualifies as an independent director under those rules.

Board Committees. For two years after the closing, all committees will consist of at least one of the Equinix directors and one STT Communications director. In no event will any committee contain more STT Communications directors than our directors. One of the STT Communications directors will serve as the chairman of our board of directors and chairman of our Compensation Committee.

Restrictions on Conversion. As described above, for two years following the closing, STT Communications has agreed to convert its convertible secured notes and warrants into shares of our non-voting preferred stock if conversion of the notes and warrants would cause STT Communications to hold more than 40% of our outstanding voting stock. This restriction will expire before the second anniversary of the closing if enumerated events occur, including a material breach by us of our obligations under our material agreements with STT Communications, if a third party makes a tender offer for our shares, if STT Communications makes a tender offer with specified criteria or if STT makes additional cash investments in our shares. After two years, STT Communications will be free to convert its notes and warrants into shares of our common stock and Series A preferred stock without limitation.

Q: Who will be the officers of the combined company?

A: Following the combination, our current management team will continue to serve in their current positions. Prior to closing, we will mutually agree with STT Communications on an individual to run our newly acquired operations in Asia.

Q: Are there risks I should consider in deciding whether to vote for the issuance of common stock and preferred stock in the combination, the financing and the senior note exchange?

A: Yes. The combination, the financing and the senior note exchange involve a variety of significant risks. You should carefully consider the factors discussed in the section entitled Risk Factors beginning on page 20.

Q: What votes are required to approve the proposals?

A: Proposal 1, relating to approval of the issuance of our stock in connection with the combination, the financing, and the senior note exchange, must be approved by a majority of the votes cast at the special meeting by holders of our common stock.

Proposal 2, relating to the adoption of the merger agreement, must be approved by the holders of at least a majority of our issued and outstanding shares of common stock.

Each share of our common stock is entitled to one vote.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement, please complete and sign your proxy and return it in the enclosed return envelope as soon as possible so that your shares may be represented and voted at our special meeting. If you sign and send in your proxy and do not indicate how

you want to vote, we will count your proxy as a vote for the proposal to approve the issuance of shares of our common stock and preferred stock in connection with the combination, the financing and the senior note exchange and the adoption of the merger agreement. See the enclosed proxy card for instructions on how to vote by telephone and by Internet.

Q: Do I have appraisal rights if I oppose the issuance of common stock and preferred stock in connection with the combination, financing and senior note exchange and the charter merger?

A: No. None of our stockholders will have appraisal rights in connection with the transactions described in Proposals 1 and 2.

Q: When do you expect these transactions to be completed?

A: The transactions are anticipated to close by the end of 2002, but may close in 2003 depending on how quickly we can complete any SEC review and complete the senior note exchange. Prior to the closing, we will work closely together with i-STT and Pihana to plan the smooth integration of the three organizations.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Shares held in street name are shares held in brokerage accounts or held by other nominees on a stockholder s behalf. Your broker or nominee will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker or nominee regarding how to instruct your broker to vote your shares. If you do not instruct your broker or nominee, your shares will not be voted.

Q: Can I change my vote after I have mailed my signed proxy?

A: Yes. You can change your vote at any time before your proxy is voted at our special meeting. If you hold your shares in your own name, you can do this in one of three ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy. If you choose either of these two methods, you must submit your notice of revocation or your new proxy before the meeting to the address set forth in the answer to the last question below. Third, stockholders can attend the meeting and vote in person. If your shares are held in street name , you should follow the directions provided by your broker or nominee regarding how to change your vote.

Q: What do I do if I have questions?

A: If you have any questions about the issuance of common stock in connection with the combination, the financing, the senior note exchange or the charter merger or if you need additional copies of this proxy statement and you are one of our stockholders, you should contact:

Georgeson Shareholder Communications, Inc.
Attn. Donna Ackerley
(800) 526-2746

SUMMARY

This summary, together with the question and answer section, highlights some of the information discussed in greater detail elsewhere in this proxy and may not contain all of the information that is important to you. For a more complete understanding of the combination, the financing, the senior note exchange, the charter merger and the other related transactions described in this proxy statement, you should carefully read this entire document and the documents referred to in this proxy statement. *See Where You Can Find Additional Information beginning on page 133.*

The Companies

Equinix, Inc.

We design, build and operate neutral Internet Business Exchange hubs, or IBX hubs, where Internet businesses place their equipment and their network facilities in order to interconnect with each other to improve Internet performance. Our carrier neutral IBX hubs and Internet exchange services enable network service providers, enterprises, content providers, managed service providers and other Internet infrastructure companies to directly interconnect with each other for increased performance and cost advantages.

We currently have seven IBX hubs, consisting of more than 810,000 square feet, which operate in key U.S. Internet intersection points Washington, D.C., New York, Dallas, Chicago, Los Angeles and Silicon Valley areas. In addition, we have strategic partnerships established in Europe and Asia to serve customer needs in those areas.

Our headquarters are located at 2450 Bayshore Parkway, Mountain View, California 94043. Our phone number is (650) 316-6000.

i-STT Pte Ltd

i-STT is a provider of managed information technology, or IT, infrastructure services that help businesses effectively manage their IT investments for optimal performance, continuous availability and immediate scalability. i-STT markets and sells its services to customers primarily located in Asia. i-STT s core operations are conducted under three general business divisions: (a) its WEBCentre data center facilities and services which consist of carrier neutral data center facilities located in Singapore and Bangkok; (b) its enterprise messaging services business in which i-STT provides outsourcing of enterprise e-mail applications to enterprises in Singapore and (c) its connectivity services (primarily bandwidth resale and Internet connectivity) to customers who require bandwidth originating or terminating at their hosted systems located in i-STT s WEBCentre facilities.

i-STT s headquarters are located at Blk 20 Ayer Rajah Crescent, #05-05/08 Ayer Rajah Industrial Estate, Singapore 139964. i-STT s phone number is (65) 6723-8888.

Pihana Pacific, Inc.

Pihana designs and builds carrier neutral data centers to house critical Internet systems for Internet service providers, telecommunications carriers, content service providers, and enterprise customers. Pihana has deployed an Internet exchange network to facilitate high performance routing of Internet traffic and provides an integrated suite of services, including enterprise system management, storage, colocation and disaster recovery services.

Pihana s regional footprint includes seven data center facilities in Los Angeles, California, Singapore, Tokyo, Japan, Seoul, Korea, Sydney, Australia, Hong Kong and Honolulu, Hawaii. Pihana has its regional headquarters in Hong Kong.

The combination agreement requires Pihana to dispose of its Seoul, Korea data center subsidiary and enter into arrangements to terminate or amend its office lease in Singapore, its office lease in Honolulu, Hawaii and part of its data center lease in Los Angeles, California.

Pihana s headquarters are located at 1100 Alakea Street, Suite 3000, Honolulu, Hawaii 96813. Pihana s telephone number is (808) 528-7500.

The Special Meeting

The special meeting will be held on , , 2002, beginning at 9 a.m., local time, at the offices of Willkie Farr & Gallagher located at 787 Seventh Avenue, New York, New York 10019.

Record Date

The record date for determining the holders of shares of our outstanding common stock entitled to vote at the special meeting is the close of business on , 2002. On the record date, shares of our common stock were issued and outstanding.

Proposal 1
The Issuance of Shares in Connection with the Combination, the Financing and the Senior Note Exchange

The Combination

The combination is our acquisition of the businesses of i-STT and Pihana for cash and shares of our common stock and preferred stock as described below. See The Combination beginning on page 48.

Acquisition of Pihana

We will acquire Pihana through a merger of one of our indirect wholly-owned subsidiaries with Pihana. As consideration for the merger, we expect to pay $10,000 and issue to the holders of Pihana s preferred stock, shares of our common stock representing approximately 23.2% of our capitalization as of the closing. See The Combination The Pihana Merger beginning on page 48.

Acquisition of i-STT

One of our indirect wholly-owned subsidiaries will purchase all of i-STT s issued and outstanding stock from STT Communications. In consideration for the i-STT acquisition, we expect to pay $10,000 and issue to STT Communications shares of our common stock and Series A preferred stock representing approximately 28.3% of our capitalization as of the closing. See The Combination The i-STT Stock Purchase beginning on page 50.

Adjustments to Consideration

The number of shares of our common stock and preferred stock to be issued to STT Communications and Pihana s preferred stockholders is subject to adjustment based on our and i-STT s working capital balance and the amount of cash Pihana has as of the opening of business, without giving effect to the combination, on the day of the closing. See The Combination The Pihana Merger Determination of the Pihana Merger Consideration beginning on page 51 and The Combination The i-STT Stock Purchase Determination of the i-STT Stock Purchase Consideration beginning on page 50.

The Financing

In order to provide cash for our operations and to retire and restructure a portion of our outstanding debt, we will raise additional capital at the closing. At the closing, we will sell a minimum of $30.0 million and a maximum of $40.0 million of convertible secured notes. The convertible secured notes will be convertible into shares of our common stock and preferred stock at a price of approximately $0.34 per share, which represents a 10% premium over the 30 trading day average closing price of our common stock ending five days prior to signing the combination agreement. Each convertible secured note issued to STT Communications will be convertible into shares of our Series A preferred stock or shares of our non-voting Series A-1 preferred stock and will accrue interest at the rate of 14% per annum. All convertible secured notes issued to other investors will be convertible into shares of our common stock and accrue interest at the rate of 10% per annum. All interest on the convertible secured notes will be paid in the form of additional notes of the same series. All of the convertible secured notes will mature in November 2007.

Until the second anniversary of the closing, unless terminated earlier as described in this proxy statement, STT Communications will be subject to restrictions on the amount of our voting securities that it may acquire upon conversion of notes or warrants. Under the securities purchase agreement, STT Communications may not convert its convertible secured notes or the warrants received in connection with the purchase of such notes into shares of our Series A preferred stock or common stock, but instead must convert or exercise into shares of our non-voting Series A-1 preferred stock, if:

- as a result of such conversion, STT Communications and its affiliates would hold more than 40% of our outstanding voting stock; or

- STT Communications has not complied with requirements of the Hart-Scott-Rodino Antitrust Improvements Act, or HSR Act, with respect to a conversion that would cause it to hold voting stock valued in excess of $50.0 million.

The convertible secured notes issued to STT Communications will be secured by a first priority lien on all of i-STT s assets and the assets of Pihana s Singapore subsidiary. All of the convertible secured notes will be secured by a second priority lien on substantially all of the remaining assets.

As additional consideration for the convertible secured notes, we will issue to each purchaser warrants for shares of our common and preferred stock. Warrants issued to STT Communications will be exercisable for shares of our Series A preferred stock or shares of our non-voting Series A-1 preferred stock depending on whether STT Communications would exceed the 40% voting stock threshold described above. All other warrants will be exercisable for shares of our common stock. Each warrant will initially be exercisable for $0.01 per share.

The closing of the financing is conditioned upon the closing of the combination. See The Financing beginning on page 69.

The Senior Note Exchange

As a condition to closing the combination and financing, we are required to substantially reduce our outstanding debt so that no more than $22.3 million of our senior notes are outstanding at closing. This amount may be increased with the consent of two of the three combining companies. If only $22.3 million of our senior notes are outstanding at closing, we will have retired $124.9 million of our senior notes in the senior note exchange. Prior to signing the combination agreement, we received offers to exchange $101.2 million of our senior notes, leaving more than $23.7 million additional senior notes that we are required to exchange in the senior note exchange.

In connection with the combination and financing, we will make an offer to exchange cash and our common stock for all of the outstanding senior notes. For each $1,000 in principal amount of our senior notes exchanged, a holder of our senior notes will receive cash and shares of our common stock based on the following aggregate amounts of senior notes exchanged:

Amount Exchanged	Cash Consideration	Stock Consideration*
equal to or greater than $115.0 million but less than $125.0 million	$130	Approximately 472-513 shares
equal to or greater than $125.0 million but less than $132.5 million	$140	Approximately 394-417 shares
equal to or greater than $132.5 million but less than $140.0 million	$150	Approximately 326-345 shares
equal to or greater than $140.0 million but less than $147.2 million	$160	Approximately 268-282 shares
equal to $147.2 million	$170	Approximately 229 shares

* The number of shares issued per $1,000 in principal amount of senior notes is dependent on the principal amount of senior notes exchanged within each range.

If $115.0 million of the senior notes are exchanged, approximately 513 shares of common stock will be issued per $1,000 in principal amount of senior notes.

If $125.0 million of the senior notes are exchanged, approximately 472 shares of common stock will be issued per $1,000 in principal amount of senior notes. Amounts exchanged between $115.0 million and $125.0 million will result in a sliding scale of common shares issued of between 513 and 472 shares. The share amounts shown assume we issue $30.0 million of convertible senior notes and related warrants in the financing.

The stock consideration received in the exchange will be calculated in terms of percentage of outstanding shares; accordingly, the share amounts shown above are for illustrative purposes only.

Prior to closing, we will commence an exchange offer for all of our outstanding senior notes, and the holders of the senior notes will have 20 business days to tender their senior notes to us in exchange for the consideration described above. See The Senior Note Exchange beginning on page 73.

Amendment to Our Credit Facility

As a condition to the combination, the financing and the senior note exchange, we are required to amend the terms of our credit facility. As part of this amendment we will pay down approximately $7.5 million of the outstanding principal and eliminate a number of the restrictive financial covenants under our credit facility, including those related to our achieving minimum quarterly revenue and earnings before interest, taxes, depreciation and amortization, or EBITDA, results. See The Credit Facility beginning on page 77.

To provide a mechanism to allow STT Communications and other purchasers of the convertible secured notes to ensure our compliance with liquidity and payment covenants under our credit facility, at the closing, we will issue cash trigger warrants to STT Communications and other investors. The holders of the cash trigger warrants will have the right, but not the obligation, to purchase shares of our common stock or, in the case of STT Communications, shares of our preferred stock. The cash trigger warrants will become exercisable only upon a default of our minimum cash covenant under our credit facility or our failure to make principal or interest payments on amounts outstanding under our credit facility when due. The maximum value of shares that may be purchased under the cash trigger warrants is $30.0 million. The maximum value of shares that may be purchased upon any one exercise of the cash trigger warrants is equal to the sum of (a) any shortage of cash under our cash

covenant or any missed principal or interest payment plus (b) $5.0 million. See The Financing Cash Trigger Warrants beginning on page 71.

Conditions to Closing

In addition to completing each of the transactions described above, there are a number of conditions to closing the combination and financing transactions, including:

- Obtaining our stockholders approval of Proposal 1 and Proposal 2.

- Maintaining our listing on The Nasdaq National Market or The Nasdaq Small Cap Market. If at the closing our common stock is listed on The Nasdaq Small Cap Market, we must not have received any indication from Nasdaq that we would not be allowed to transfer back to The Nasdaq National Market after our stock trades above $1.00 for 30 consecutive trading days.

- We must have agreed with STT Communications on a management financial model and management structure for the combined companies.

- Pihana must have reduced its operations in Los Angeles, Hawaii and Singapore and divested itself of its operations in Korea.

- Each of us, STT Communications and Pihana must meet cash, non-current liabilities and working capital tests.

- No events shall have occurred that would constitute a material adverse effect on us, i-STT or Pihana.

- We must have renegotiated our ground lease in San Jose.

- We must obtain an independent valuation of all of our personal and real property assets for purposes of determining that we are not a real property holding company under U.S. law.

- Documents effecting the security interests of the convertible secured notes must be executed and delivered by us to the purchasers of our convertible secured notes.

- Guarantees of the convertible secured notes by all of our subsidiaries must be executed and delivered by us to the purchasers of our convertible secured notes.

Recommendation of the Board of Directors; Our Reasons for the Combination, the Financing and the Senior Note Exchange

Our board of directors, has voted FOR, and recommends that you vote FOR, the approval of Proposal 1. For a description of the reasons which our board considered in approving and recommending the combination, the financing and the senior note exchange, see Proposal 1 Issuance of Shares in connection with the Combination, the Financing and the Senior Note Exchange Our Reasons for the Combination beginning on page 40.

Opinion of Financial Advisor

In connection with the combination, our board of directors received a written opinion from Salomon Smith Barney Inc. as to the fairness, from a financial point of view, to Equinix of the aggregate consideration to be paid by Equinix in the combination. The full text of Salomon Smith Barney s written opinion, dated October 2, 2002, is attached to this proxy statement as Annex B. We encourage you to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. **Salomon Smith Barney s opinion is directed to our board of directors and does not constitute a recommendation to you as to how you should vote or act on any matters relating to the combination or any related transactions.**

Proposal 2
Charter Merger

In order to facilitate the combination, the financing and the senior note exchange described above, we need to accomplish the following:

Increase in Authorized Shares. We need to increase the number of authorized shares of our common stock and preferred stock to allow for the issuance of shares of stock in connection with the combination, the financing and the senior note exchange.

The Reverse Stock Split. In order to maintain our listing on The Nasdaq National Market our common stock must not close below $1.00 for 30 consecutive trading days. For the last several months our common stock has traded substantially below $1.00. To bring the trading price of our common stock back above $1.00 and into compliance with the rules of The Nasdaq National Market, our board of directors has authorized a reverse stock split to reduce the number of shares of our common stock outstanding. As a result of the reverse stock split, shares of our common stock will be combined into a smaller number of shares of our common stock. While the reverse stock split will reduce the number of shares held by each of our stockholders, it will not change the percentage of our outstanding stock owned by each stockholder.

The reverse stock split and the increase in our authorized shares will occur as a result of the charter merger.

In Proposal 2, you are being asked to vote for the adoption of the agreement and plan of merger, dated October 17, 2002, by and between us and Eagle Oasis, Inc., our wholly-owned subsidiary, that will implement the charter merger.

Recommendation of the Board of Directors

Our board of directors has voted FOR, and recommends that you vote FOR, the approval of Proposal 2.

Forward Looking Statements May Prove Inaccurate

This proxy statement contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act. These statements include statements with respect to our, i-STT s and Pihana s financial condition, results of operations and business and on the expected impact of the merger on our post-closing financial performance. Words such as anticipates, expects, intends, plans, believes, seeks, estimates and similar expressions identify forward-looking statements.

These forward looking statements are not guarantees of future performance and are subject to certain risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements. You should not place undue reliance on these statements.

In evaluating the proposals in this proxy statement, you should carefully consider the discussion of these and other factors in the section entitled Risk Factors beginning on page 19.

EQUINIX, INC.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the following table in conjunction with our historical consolidated financial statements and related notes and our Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this proxy statement.

The consolidated statement of operations data for the fiscal years ended December 31, 2001, 2000 and 1999 and the consolidated balance sheet data as of December 31, 2001 and 2000 have been derived from our audited consolidated financial statements included elsewhere in this proxy statement. The consolidated statement of operations data for the period from June 22, 1998 (inception) to December 31, 1998 and the consolidated balance sheet data as of December 31, 1999 and 1998 are derived from our audited financial statements not included or incorporated by reference in this proxy statement.

The consolidated balance sheet data as of June 30, 2002 and the consolidated statements of operations data for the six months ended June 30, 2002 and 2001 are based on our unaudited quarterly consolidated financial statements included in this proxy statement.

The information as of and for the six month periods ended June 30, 2002 and 2001 is unaudited and has been prepared on the same basis as our annual consolidated financial statements. In the opinion of our management, this quarterly information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented. The results of operations for the six months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2002, or any future period.

	Six Months Ended June 30		Years Ended December 31,			Period from June 22, 1998 (inception) to December 31, 1998
	2002	**2001**	**2001**	**2000**	**1999**	
	(unaudited)					
Statement of Operations Data: **(in thousands, except per share amounts)**						
Revenues	$ 38,198	$ 28,770	$ 63,414	$ 13,016	$ 37	$
Costs and operating expenses:						
Cost of revenues (includes stock-based compensation of $167, $393, $426, $766, $177 and none for the periods ended June 30, 2002 and 2001 and December 31, 2001, 2000, 1999, and 1998, respectively)	52,382	49,996	94,889	43,401	3,268	
Sales and marketing (includes stock-based compensation of $584, $1,848, $2,830, $6,318, $1,631 and $13 for the periods ended June 30, 2002 and 2001 and December 31, 2001, 2000, 1999, and 1998, respectively)	9,280	9,292	16,935	20,139	3,949	47
General and administrative (includes stock-based compensation of $3,397, $10,901, $15,788, $22,809, $4,819 and $151 for the periods ended June 30, 2002 and 2001 and December 31, 2001, 2000, 1999, and 1998, respectively)	14,576	34,392	58,286	56,585	12,603	902
Restructuring charges	9,950		48,565			
Total costs and operating expenses	86,188	93,680	218,675	120,125	19,820	949
Loss from operations	(47,990)	(64,910)	(155,261)	(107,109)	(19,783)	(949)
Interest income	782	7,159	10,656	16,430	2,138	150
Interest expense	(18,231)	(21,643)	(43,810)	(29,111)	(3,146)	(220)
Gain on debt extinguishment	27,188					
Net loss	$ (38,251)	$ (79,394)	$ (188,415)	$ (119,790)	$ (20,791)	$ (1,019)
Net loss per share:						
Basic and diluted	$ (0.42)	$ (1.03)	$ (2.39)	$ (3.48)	$ (4.98)	$ (1.48)
Weighted average shares	91,957	77,237	78,681	34,461	4,173	688

	As of June 30,		As of December 31,			
	2002	2001	2001	2000	1999	1998
	(unaudited)					
Balance Sheet Data: (in thousands)						
Cash and cash equivalents and short-term investments	$ 23,264	$ 230,674	$ 87,721	$ 207,210	$ 222,974	$ 9,165
Restricted cash and short-term investments	26,564	21,457	28,044	36,855	38,609	
Working capital (deficit)	(93,855)	195,463	39,889	126,677	229,178	8,920
Property and equipment, net	399,712	336,885	325,226	315,380	28,444	482
Construction in progress		88,358	103,691	94,894	18,312	31
Total assets	470,356	708,788	575,054	683,485	319,946	10,001
Senior secured credit facility	105,000	150,000	105,000			
Senior notes	138,930	186,892	187,882	185,908	183,955	
Redeemable convertible preferred stock					97,227	10,436
Total stockholders equity (deficit)	190,279	304,382	203,521	375,116	8,472	(846)
Other Financial Data: (in thousands)						
Adjusted EBITDA(1)	(8,473)	(27,759)	(38,007)	(62,400)	(12,547)	(781)
Net cash used in operating activities	(25,849)	(37,833)	(68,854)	(68,073)	(9,908)	(796)
Net cash used in investing activities	(9,621)	(166,937)	(153,014)	(302,158)	(86,270)	(5,265)
Net cash provided by (used in) financing activities	(7,007)	156,941	107,799	339,847	295,178	10,226

(1) Adjusted EBITDA consists of net loss excluding interest, income taxes, depreciation and amortization of capital assets, amortization of deferred stock-based compensation and restructuring charges. Adjusted EBITDA is presented to enhance an understanding of our operating results, it is not intended to represent cash flow or results of operation in accordance with generally accepted accounting principles for the periods indicated and may be calculated differently than Adjusted EBITDA for other companies. Adjusted EBITDA is not a measure determined under generally accepted accounting principles nor is it a measure of liquidity. The following represents how we calculated Adjusted EBITDA.

	For the Six Months Ended June 30,		For the Year or Period As of December 31,			
	2002	2001	2001	2000	1999	1998
	(unaudited)		(in thousands)			
Loss from operations	$ (47,990)	$ (64,910)	$ (155,261)	$ (107,109)	$ (19,783)	$ (949)
Depreciation and amortization	25,419	24,009	49,645	14,816	609	4
Stock-based compensation	4,148	13,142	19,044	29,893	6,627	164
Restructuring charges	9,950		48,565			
Adjusted EBITDA	$ (8,473)	$ (27,759)	$ (38,007)	$ (62,400)	$ (12,547)	$ (781)

i-STT PTE LTD

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the following table in conjunction with i-STT s historical consolidated financial statements and related notes and i-STT s Management s Discussion and Analysis of Financial Condition and Results of Operations included in this proxy statement, which have been prepared in accordance with Singapore GAAP. Singapore GAAP differs in certain respects from U.S. GAAP. For a discussion of material differences as applied to i-STT s financial statements, see Note 28 to i-STT s consolidated financial statements. All dollar amounts presented are in U.S. dollars.

The consolidated statements of operations data for the fiscal year ended December 31, 2001 and the period from January 3, 2000 (inception) to December 31, 2001 and the consolidated balance sheet data as of December 31, 2001 and 2000 have been derived from audited consolidated financial statements of i-STT included in this proxy statement.

The consolidated balance sheet data as of June 30, 2002 and the consolidated statements of operations data for the six months ended June 30, 2002 and 2001 has been derived from unaudited quarterly consolidated financial statements of i-STT also included in this proxy statement/prospectus.

The information as of and for the six months ended June 30, 2002 and 2001 are unaudited and have been prepared on the same basis as i-STT s annual consolidated financial statements. In the opinion of i-STT s management, this unaudited information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented. The results of operations for the six months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2002, or any future period.

	Six Months Ended June 30,		Year Ended December 31,	Period from January 3, 2000 (inception) to December 31,
	2002	2001	2001	2000
	(unaudited)			
Statement of Operations Data: (in thousands)				
Revenues	$ 4,970	$ 7,227	$ 12,191	$ 10,742
Loss from operations	(4,141)	(17,986)	(26,894)	(14,708)
Net loss	(3,970)	(18,273)	(27,519)	(14,427)

	June 30,		December 31,	
	2002	2001	2001	2000
	(unaudited)			
Balance Sheet Data: (in thousands)				
Cash and cash equivalents	$ 2,863	$ 4,412	$ 2,670	$ 5,053
Working capital (deficit)	(18,594)	(40,711)	(16,617)	(20,244)
Total assets	20,514	31,816	22,913	30,669
Shareholders equity/(deficit)	(4,415)	(20,698)	(386)	(2,422)

PIHANA PACIFIC, INC.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the following table in conjunction with Pihana s historical consolidated financial statements and related notes and Pihana s Management s Discussion and Analysis of Financial Condition and Results of Operations included in this proxy statement.

The consolidated statement of operations data for the fiscal years ended December 31, 2001 and 2000 and the period from June 11, 1999 (inception) to December 31, 1999 and the consolidated balance sheet data as of December 31, 2001 and 2000 have been derived from audited consolidated financial statements of Pihana included in this proxy statement. The consolidated balance sheet data as of December 31, 1999 is derived from Pihana s unaudited consolidated financial statements not included in this proxy statement.

The consolidated balance sheet data as of June 30, 2002 and the consolidated statements of operations data for the six-months ended June 30, 2002 and 2001 has been derived from unaudited quarterly consolidated financial statements of Pihana also included in this proxy statement.

The information as of and for the six months ended June 30, 2002 and 2001 are unaudited and have been prepared on the same basis as Pihana s annual consolidated financial statements. In the opinion of Pihana s management, this unaudited information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented. The results of operations for the six-months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2002, or any future period.

	Six Months Ended June 30,		Years Ended December 31,		Period from June 11, 1999 (inception) to December 31, 1999
	2002	2001	2001	2000	
	(unaudited)				
Statement of Operations Data: (dollars in thousands)					
Revenues	$ 1,717	$ 109	$ 1,018	$ 13	$
Loss from operations	(104,111)(1)	(23,695)	(50,888)	(18,521)	(1,033)
Net loss	(103,743)	(19,384)	(43,851)	(15,953)	(989)

	June 30,		December 31,		
	2002	2001	2001	2000	1999
Balance Sheet Data: (dollars in thousands)	(unaudited)				(unaudited)
Cash and cash equivalents and short-term investments	$ 46,252	$ 109,872	$ 67,742	$ 191,627	$ 1,194
Working capital	42,429	103,408	62,734	176,157	1,082
Total assets	84,245	208,626	186,093	233,531	2,137
Series A redeemable preferred stock	14,294	13,334	13,814	12,854	3,064
Series B redeemable preferred stock	216,222	218,904	216,222	213,592	
Series B redeemable preferred stock warrant	6,741	6,741	6,741	6,741	
Stockholders deficit	(162,914)	(38,427)	(64,579)	(17,124)	(1,079)

(1) Includes non-recurring charge of $77.0 million for the impairment of long-lived assets in the six months ended June 30, 2002.

SUMMARY UNAUDITED CONDENSED COMBINED PRO FORMA DATA

We are providing the following summary unaudited pro forma combined financial information to provide you with a better picture of what the results of operations and the financial position of Equinix s, Pihana s and i-STT s business might have looked like had the combination, the financing, the senior note exchange and the amendment to our credit facility occurred on January 1, 2001 for statement of operations purposes and on June 30, 2002 for balance sheet purposes. This information is provided for illustrative purposes only and is not necessarily indicative of what our results of operations or financial position would have been if those transactions actually occurred on the dates assumed. In addition, this information is not necessarily indicative of what our future consolidated operating results or consolidated financial position will be.

	Six Months Ended June 30, 2002	Year Ended December 31, 2001
	(in thousands, except per share amounts)	
Unaudited pro forma combined statement of operations data:		
Revenues	$ 44,734	$ 76,181
Costs and operating expenses:		
Cost of revenues	66,567	136,728
Sales and marketing	14,273	30,675
General and administrative	21,288	78,548
Restructuring and other non-recurring charges	12,115	48,565
Total costs and operating expenses	114,243	294,516
Loss from operations	(69,509)	(218,335)
Interest income	1,919	16,082
Interest expense	(10,946)	(26,239)
Other	(243)	101
Net loss	$ (78,779)	$ (228,391)
Net loss per share:		
Basic and diluted	$ (0.27)	$ (0.82)
Weighted average shares	292,576	279,300

	June 30, 2002
	(in thousands)
Unaudited pro forma combined balance sheet data:	
Cash and cash equivalents and short-term investments	$ 72,509
Restricted cash and short-term investments	26,564
Working capital	41,029
Property and equipment, net	413,415
Total assets	561,453
Senior secured credit facility	92,500
Senior notes	21,040
Stockholders equity	373,843

COMPARATIVE PER SHARE DATA

The following table presents Equinix s, Pihana s and i-STT s unaudited historical per share and combined pro forma per share data after giving effect to the combination using the purchase method of accounting. The pro forma data does not purport to be indicative of the results of future operations or the results that would have occurred had the combination, the financing, the senior note exchange and the amendment to our credit facility been consummated at the beginning of the periods presented. The information set forth below should be read in conjunction with Equinix s, Pihana s and i-STT s historical consolidated financial statements and notes included elsewhere in this proxy statement. The unaudited pro forma combined and unaudited pro forma equivalent per share data combine Equinix s, Pihana s and i-STT s results of operations for the year ended December 31, 2001, Equinix s, Pihana s and i-STT s results of operations for the six months ended June 30, 2002, with Equinix s, Pihana s and i-STT s financial position at June 30, 2002. No cash dividends have ever been declared or paid on our, Pihana s or i-STT s common stock.

Comparative Historical and Proforma per share data:

	Equinix	
	Six Months Ended June 30, 2002	Year Ended December 31, 2001
Historical per common share data:		
Loss per share basic and diluted	$ (0.42)	$ (2.39)
Net book value per share(1)	$ 1.93	$ 2.54

	i-STT	
	Six Months Ended June 30, 2002	Year Ended December 31, 2001
Historical per common share data(2):		
Loss per share basic and diluted	$ (0.08)	$ (0.96)
Net book value per share(1)	$ (0.08)	$ 0.11

	Pihana	
	Six Months Ended June 30, 2002	Year Ended December 31, 2001
Historical per common share data:		
Loss per share basic and diluted	$ (0.87)	$ (0.37)
Net book value per share(1)	$ 0.62	$ 1.44

	Combination	
	Six Months Ended June 30, 2002	Year Ended December 31, 2001
Pro forma combined per common share data:		
Loss per combined company s basic and diluted share	$ (0.27)	$ (0.82)
Loss per equivalent i-STT basic and diluted share(3)	$ (0.05)	$ (0.56)

Loss per equivalent Pihana basic and diluted share(3)	$ (1.35)	$ (0.57)
Pro forma net book value per combined company s share(1)	$ 1.28	
Pro forma net book value per equivalent i-STT share(3)	$ (0.14)	
Pro forma net book value per equivalent Pihana share (3)	$ 0.40	

(1) Equinix s, Pihana s and i-STT s historical net book value per share of common stock is computed by dividing stockholders equity at period end by the number of shares of common stock outstanding at the respective period end. The pro forma net book value per share of common stock of the combined company is computed by dividing the pro forma stockholders equity by the pro forma number of shares of Equinix s common stock outstanding at the respective period end, assuming the combination, the financing, the senior note exchange and the amendment to our credit facility had occurred as of that date.

(2) Prepared on an as converted basis for Pihana preferred stock.

(3) The equivalent pro forma per share data is calculated by multiplying the respective historical share data by the pro forma exchange ratio for Pihana and i-STT, which is 0.6388 and 1.7343, respectively.

RISK FACTORS

You should carefully consider the following risk factors before you decide whether to vote to approve the issuance of our shares in the combination, the financing and the senior note exchange, and whether to adopt the charter merger. You should also consider all of the other information included in this proxy statement and the additional information in our other reports on file with the SEC, including our annual report on Form 10-K for the year ended December 31, 2001.

Risks to Our Stockholders

The combination, financing and senior note exchange will significantly dilute our existing stockholders ownership interests.

In connection with the combination, financing and senior note exchange, we will issue, or commit to issue, shares of our common stock and preferred stock (and instruments convertible or exercisable into shares of our common stock and preferred stock) representing approximately 77.5% of our capitalization as of the closing. The issuance of stock in connection with these transactions will significantly dilute our existing stockholders ownership interests.

Upon completion of the combination, STT Communications will hold a substantial portion of our stock and will have significant influence over matters requiring stockholder consent.

Upon completion of the combination, STT Communications will beneficially own approximately 28.3% of our outstanding capital stock. Because of the diffuse ownership of our stock, STT Communications will have significant influence over matters requiring our stockholder approval following the combination. 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.

There are a number of conditions that must be satisfied prior to closing these transactions; if the proposed transactions are not consummated, we will most likely seek bankruptcy protection.

The combination, the financing and the senior note exchange have a number of conditions that must be satisfied prior to closing these transactions. For instance, the combination is conditioned on the successful completion of the senior note exchange. This condition requires us to retire at least $124.9 million of our senior notes in the senior note exchange. Prior to signing the combination agreement we only had offers to exchange outstanding senior notes from holders of $101.2 million of our senior notes, requiring the voluntary participation by holders of a significant amount of senior notes. If more than $22.3 million of our senior notes remain outstanding after the senior note exchange, we may be unable to complete the combination and financing. This condition may be waived by two of the three combining companies. However, even if this condition is successfully waived, the existing offers to tender $101.2 million are conditioned on $32.2 million or less of our senior notes remaining outstanding after the completion of the senior note exchange.

In addition, these transactions are conditioned upon our stockholders approving the proposals described in this proxy statement.

If these conditions are not met or waived and if the combination, the financing and the senior note exchange are not consummated, we will most likely seek bankruptcy protection. In the event of a bankruptcy, we anticipate our existing stockholders will be diluted to 0-5% of our capitalization.

We may be required to pay significant liquidated damages if our stockholders do not approve the issuance of shares in connection with the combination, financing and senior note exchange or if our board of directors changes its recommendation to vote in favor of these transactions.

If our stockholders do not approve the issuance of shares in connection with the combination, financing and senior note exchange, then STT Communications and Pihana may terminate the combination agreement and we will be required to pay up to $750,000 to each of Pihana and STT Communications to cover their expenses. In addition, if we enter into an alternate transaction within twelve months of the termination, we would be obligated to pay to each of Pihana and STT Communications liquidated damages equal to the difference between $1.3 million and the expenses already paid to such party.

If our board of directors changes its recommendation from one in favor of the combination to one against the combination or neutral with respect to the combination, does not recommend against a tender offer by a third party or if we enter into an alternate transaction, then we will be required to pay liquidated damages of $1.3 million to each of Pihana and STT Communications if the combination agreement is terminated. Payment of these liquidated damages would represent a significant portion of our remaining cash and negatively affect our operating results.

Failure to complete the combination, financing and senior note exchange could negatively affect our operating results and our ability to enter into alternative transactions.

If the combination, financing and senior note exchange are not completed for any reason, regardless of whether we seek bankruptcy protection, we will likely experience a number of adverse consequences, including the following:

- the price of our common stock may decline to the extent that the current market price of our common stock reflects a market assumption that the combination will be completed;
- an adverse reaction from investors and potential investors may reduce future financing opportunities;
- our costs related to these transactions, including legal and accounting fees, must be paid even if these transactions are not completed; and
- we may be obligated to pay the expenses of STT Communications or Pihana, up to $750,000 each, if the combination agreement is terminated.

In addition, if the combination is terminated and we seek another merger or business combination, there can be no assurance that we will be able to find a suitable partner at an attractive price. In addition, while the combination agreement is in effect, we are prohibited from soliciting, initiating or encouraging or entering into extraordinary transactions, such as a merger, sale of assets or other business combination, with any third party. As a result of this prohibition, each company will be precluded from discussing potential transactions and, should the combination not occur, may lose an opportunity for a transaction with another potential partner at a favorable price.

Our officers and two members of our management team who are directors may have different interests from yours that may influence them to recommend these transactions.

Our officers and two members of our management team who are directors have interests in the combination and participate in arrangements that are different from, or are in addition to, those of our stockholders generally. Specifically, immediately following the closing, the combined company will issue options to employees of the combined company which will represent approximately 5 to 8% of the combined company s capitalization, including significant grants to our executives, who will comprise the majority of the combined company s management team. As a result, these officers, and the two members of our board who are part of our management team, could be more likely to vote to recommend these transactions to our board of directors than if they did not hold these interests. You should consider whether these interests may have influenced these officers to support or recommend these transactions.

Risks Related to the Combination and the Combined Company

Equinix, 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. 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. These three companies limited history makes evaluating their operations and the proposed scale of the combined business difficult. The combined company expects that it will encounter challenges and difficulties frequently experienced by early-stage companies in new and rapidly evolving markets, such as its ability to generate cash flow, hire, train and retain sufficient operational and technical talent, and implement its plan with minimal delays. The combined company may not successfully address any or all of these challenges and the failure to do so would seriously harm its business plan and operating results, and affect its ability to raise additional funds.

If the combined company is unable to meet these challenges and generate higher revenues while reducing costs, it 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 down and the combined company 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.

We incurred losses of approximately $188.4 million for 2001, i-STT incurred losses of approximately $24.0 million for 2001 and Pihana incurred losses of approximately $43.9 million for the same period. We incurred losses of approximately $38.3 million for the six months ended June 30, 2002, i-STT and Pihana incurred losses of $3.8 million and $103.7 million respectively, 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:

- Pihana s data centers are generating significant operating losses and have lower gross margins;
- 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 the credit facility. If the combined company breaches the credit facility, the banks could require repayment of all amounts previously drawn down and the combined company will not have sufficient cash reserves to repay such amounts.

The combined company expects its 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 the combined company s common stock to decline. The combined company expects 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;
- conditions related to international operations;

growth 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 its IBX hubs;

our pricing policies and the pricing policies of its 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 its products and services;

competition in the markets;

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 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;

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.

Any of the foregoing factors, or other factors discussed elsewhere in this proxy statement, 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 the combined company s expenses is fixed in the short-term, particularly with respect to lease and personnel expenses, depreciation and amortization, and interest expenses. Therefore, the combined company s 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, operating results of the combined company in one or more future quarters may fail to meet the expectations of securities analysts or investors. If this occurs, the combined company could experience an immediate and significant decline in the trading price of its stock.

If the combined company cannot generate higher revenues, while reducing costs by combining the businesses, it 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 down and the combined company will not have sufficient cash reserves to repay such amounts.

If the combination, financing and senior note exchange do not close by December 31, 2002 the costs to the combined company will be increased, and there may be adverse tax consequences to the combined company.

If the combination, financing and senior note exchange close after December 31, 2002, the transaction costs associated with these transactions will be increased to a level greater than planned. In addition, the cost benefits we currently plan for in the combination will not be fully realized. If the costs associated with these transactions

significantly exceed expectations or if we are unable to recognize sufficient cost savings in the combination, the combined company 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 down and the combined company will not have sufficient cash reserves to repay such amounts.

In general, if we do not incur sufficient losses in the tax year in which the combination, the financing and the senior note exchange close, we will be forced to utilize available net operating loss carryforwards to offset the cancellation of indebtedness income generated by the senior note exchange. However, a number of states in which we are subject to tax, including California and New Jersey, have adopted legislation suspending the ability to utilize net operating loss carryforwards for state tax purposes. If the combination, financing and senior note exchange do not close on or prior to December 31, 2002, the likelihood that we will have sufficient losses incurred during the tax year in which such transactions do ultimately close to fully offset the cancellation of indebtedness income generated by the senior note exchange diminishes, and, therefore, the likelihood that we will have a material state tax liability as a result of the senior note exchange increases.

If we cannot successfully integrate Pihana s and i-STT s respective existing business operations, the combined company 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 systems 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 the combined company is 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 the combined company cannot generate higher revenues, while reducing costs, it 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 down and the combined company will not have sufficient cash reserves to repay such amounts.

In addition, the i-STT and Pihana businesses have never operated as part of a publicly-held company and will now be subject to rigorous disclosure and reporting obligations. Applying these more rigorous requirements to i-STT and Pihana may significantly impact their reported financial results due to increased controls over their revenue and liabilities. Further, the process of combining the companies could create uncertainty among employees about their future roles with the combined company, thereby negatively affecting employee morale. This uncertainty may adversely affect the ability of the combined company to retain some of its key employees after the combination.

If the combined company cannot effectively integrate and manage international operations, its revenues may not increase and its business and results of operations would be harmed.

In 2001, 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 34% of its revenues. We anticipate that, for the foreseeable future, approximately 20% of the combined company s revenues will be derived from sources outside North America. The combined company s management team will be comprised primarily of our executives, some of whom have had limited or no experience overseeing international operations.

The combined company 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. The combined company s 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 and Pihana s revenues and costs have been denominated in U.S. dollars. However, the combined company expects 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.

The combined company needs to improve and implement financial and managerial controls and improve its reporting systems and procedures. If the combined company is unable to do so successfully, it may not be able to manage growth effectively and its operating results would be harmed.

The combination will place a significant strain on management, information systems and resources. In order to manage this growth effectively, the combined company will need to continue to improve its financial and managerial controls and reporting systems and procedures. Any inability of the combined company s 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 its business, financial condition and results of operations.

The combined company s success is dependent on the retention of its executive officers and key employees following the combination.

The combined company will be substantially dependent upon the continued service of our executive officers. In addition, the combined company will be 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 for the combined company, it may be significantly more difficult to efficiently and effectively integrate our critical functions with those of i-STT and Pihana and create a combined company that can compete effectively against other Internet infrastructure companies.

If the economy does not improve and the use of the Internet and electronic business does not grow, revenues of the combined company 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. 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 the combined company s IBX hubs grows more slowly than we currently anticipate, the combined company s revenues will not grow and its operating results will suffer. If the combined company cannot grow revenues while reducing costs, it 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 down and the combined company will not have sufficient cash reserves to repay such amounts.

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

Assuming we retire $124.9 million of our senior notes in the senior note exchange and we issue $30.0 million of convertible secured notes, after the combination, the financing and the senior note exchange our total debt will likely consist primarily of the following:

- a total of $22.3 million principal amount of senior notes;
- a total of $92.5 million principal amount of loans under our credit facility;
- a total of $30.0 million of newly issued convertible secured notes; and
- approximately $10.7 million of other outstanding debt facilities and capital lease obligations.

The amount of the combined company s debt could have important consequences, including:

- impairing its ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes;
- requiring it to dedicate a substantial portion of its operating cash flow to paying principal and interest on indebtedness, thereby reducing the funds available for operations;
- limiting its ability to grow and make capital expenditures due to the financial covenants contained in its debt arrangements;
- impairing its 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 the combined company more vulnerable if a general economic downturn continues or if its businesses experience difficulties.

If the combined company cannot generate sufficient additional revenue and recognize sufficient synergy savings by combining the businesses, it may not be able to meet its debt service obligations or repay its debt when due or comply with other covenants in the credit facility. If the combined company breaches the credit facility, the banks could require repayment of all amounts previously drawn down, and the combined company will 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 will be obligated to make principal and interest payments on our credit facility each year until 2006 and on our senior notes each year until 2007. Additionally, in 2006 our credit facility matures and in 2007 the convertible secured notes mature and our senior notes mature. 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.

The combined company 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 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).

Customers of the combined company will include numerous related parties of i-STT.

In the past, a substantial portion of i-STT s financing, as well as its revenues, has come from its affiliates. i-STT will 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 the combined company s 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 the combined company. 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 the combined company s favor.

The combined company may not be able to maintain its listing on The Nasdaq National Market.

Our stock is currently traded on The Nasdaq National Market. Under Nasdaq s listing maintenance standards, if the closing bid price of a company s common stock remains under $1.00 per share for 30 consecutive trading days, Nasdaq will issue a deficiency notice to that company. If the closing bid price does not reach at least $1.00 per share for a minimum of ten consecutive trading days during the 90 calendar days following the issuance of the deficiency notice from Nasdaq, Nasdaq may delist that company s common stock from trading on The Nasdaq National Market. On May 16, 2002 we received a notice from Nasdaq stating that we were not in compliance with Nasdaq s continued listing requirements because the minimum closing bid price of our common stock had remained below $1.00 for 30 consecutive trading days. The letter further stated that the closing bid price of our common stock must be at least $1.00 per share for ten consecutive trading days during the 90-day period subsequent to May 16, 2002, or Nasdaq would delist our common stock from trading on The Nasdaq National Market on or about August 14, 2002. On August 15, 2002, we received a notice from Nasdaq indicating that the failure of our common stock to maintain Nasdaq s minimum closing bid price requirement of $1.00 has continued beyond the 90-day probationary period allowed under The Nasdaq National Marketplace Rules and, therefore, our common stock may be delisted. On August 21, 2002, we appealed the delisting decision and requested the delisting be stayed pending a hearing before the Nasdaq Qualifications Panel. A hearing was granted and we appeared before the panel on October 3, 2002.

In order to avoid a delisting of our common stock, the combined company may be required to take various measures, including effecting a reverse split of our common stock. We cannot predict that a reverse stock split will increase the market price for our common stock. The history of similar stock split combinations for a company in like circumstances is often not positive. There is no assurance that the market price per share of our common stock following a reverse stock split will either exceed or remain in excess of the $1.00 minimum bid price as required by Nasdaq or that we will otherwise meet the requirements of Nasdaq for continued inclusion for trading on Nasdaq.

Furthermore, if Nasdaq views the combination as a change in control, we may be required to apply for initial inclusion on The Nasdaq National Market. The initial inclusion process can be time consuming, expensive and can divert management s attention away from the integration of the combined company. In addition, it is possible that the combined company would not meet the initial inclusion requirements of The Nasdaq National Market.

If the combined company s stock is delisted and thus no longer eligible for quotation on The Nasdaq National Market, it would trade either as a Nasdaq Small Cap issue or in the over-the-counter market, both of which are viewed by most investors as less desirable and less liquid marketplaces. The loss of the combined

company s listing on The Nasdaq National Market would also complicate compliance with state blue-sky laws. Furthermore, our ability to raise additional capital would be severely impaired. As a result of these factors, the value of the common stock would decline significantly.

A significant number of shares of our capital stock issued in connection with the combination, the financing and the senior note exchange 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.

As described in this proxy statement, we are issuing a large number of shares of our capital stock to Pihana stockholders, STT Communications, other investors purchasing convertible secured notes in the financing and holders of our senior notes in connection with the combination, financing and senior note exchange. The shares of common stock issued in the senior note exchange may be sold into the public market immediately following the closing of the exchange. The shares of common stock issued in connection with the combination will be registered for resale within six months. Subject to the restrictions described in this proxy statement, the senior notes and warrants issued in connection with the financing are immediately convertible or exercisable into shares of common stock and the underlying shares of common stock may be registered for resale within six months of the closing. 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 the combined company achieves revenue growth or cost savings and other business economies sufficient to offset the effect of this issuance. There can be no assurance that the combined company will achieve revenue growth, cost savings or other business economies, or that our stockholders will achieve greater returns as a stockholder of the combined company than as a stockholder of our current company.

Our stock price is volatile and the number of shares of our common stock to be received in the combination will not be adjusted in the event of any change in our stock price.

Under the combination agreement, the number of shares of our common stock that i-STT and Pihana stockholders will receive in the combination will not be adjusted because of any increase or decrease in the price of Equinix common stock as reflected on The Nasdaq National Market. The price of our common stock at the closing may vary from its price on the date of this proxy statement and on the date of our special meeting. Further, under the combination agreement, neither Equinix, i-STT nor Pihana will have the right to terminate or renegotiate the combination agreement or to resolicit proxies as a result of any increase or decrease in the value of our common stock. If the price of our common stock goes up substantially, it may appear we have issued too many shares in exchange for the assets we are receiving in the combination. The market price of our common stock, like that of many other Internet infrastructure companies, has been and will likely continue to be volatile. Recently, the stock market in general and the shares of Internet infrastructure companies in particular, have experienced significant price fluctuations. The market price of our common stock may continue to fluctuate significantly in response to various factors, including without limitation:

- changes in our business, operations or prospects;
- the timing of the completion of the combination;
- the prospects of post-combination operations; and
- general market and economic conditions.

The combined company s profitability will be affected by the average selling price of its services and its 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 its 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. The

combined company s ability to achieve profitability will continue to be dependent, in large part, upon its ability to offset any decreases in average per square foot selling prices by improving operations efficiency, and increasing the value added services provided at its IBX hubs. If the combined company is unable to do so, its business, financial condition and results of operations could be materially adversely affected.

The combination could harm key third party relationships.

Our current and potential relationships, as well as the present and potential relationships of i-STT and Pihana, with customers and other third parties may be harmed by the combination. Uncertainties following the combination may cause these parties to delay decisions regarding these relationships. Any changes in these relationships could harm the combined company s business. Customers of Equinix, i-STT, or Pihana and other third parties may, in response to the announcement of the combination or loss of employees related to the integration of the businesses, delay or defer decisions concerning Equinix, i-STT, or Pihana. For example, the combination agreement requires Pihana to divest its data center in Korea. Many of the customers in Pihana s data center in Korea are potential customers of the combined company s other IBX hubs. The transfer or closure of Pihana s data center in Korea may result in the customers of Pihana s Korea data center choosing to do business with competitors of the combined company in other markets. That transfer could reduce or eliminate the combined company s revenue with respect to those customers and could have a negative affect on the combined company s operating results. The combined company could experience a decrease in expected revenue as a consequence of uncertainties associated with the combination. Any delay or deferral in those decisions by customers of Equinix, i-STT, or Pihana or other third parties could have a material adverse effect on the business of the combined company.

The combined company will resell products and services of third parties that may require that it pay for such services even if its customers fail to pay the combined company for the services which may have a negative impact on the combined company s operating results.

In order to provide resale services such as bandwidth, managed services, backup and recovery services and other network management services, the combined company will contract with third party service providers. These services require the combined company to enter into fixed term contracts for services with third party suppliers of products and services. If the combined company experiences the loss of a customer who has purchased a resale product, the combined company will remain obligated to continue paying moneys to suppliers for the term of the underlying contracts. The payment of these obligations without a corresponding payment from customers will reduce the combined company s financial resources and may have a material adverse affect on the combined company s financial performance and operating results.

The combined company may not be able to compete successfully against current and future competitors.

The combined company s 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, it 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 the combined company s other products and services, including managed services, bandwidth services and security services, the combined company 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 the combined company.

Because of their greater financial resources, some of these companies have the ability to adopt aggressive pricing policies. As a result, in the future, the combined company may suffer from pricing pressure that would adversely affect its ability to generate revenues and adversely affect its 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 the combined company s target customers with additional benefits, including bundled communication services, and may do so in a manner that is more attractive to the combined company s potential customers than obtaining space in the combined company s IBX hubs. We believe the combined company s neutrality provides it with an advantage over these competitors. However, if these competitors were able to adopt aggressive pricing policies together with offering colocation space, the combined company s ability to generate revenues would be materially adversely affected.

The combined company may also face competition from persons seeking to replicate its 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 the combined company s 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 the combined company will be targeting. Once customers are located in competitors facilities, it will be extremely difficult to convince them to relocate to the combined company s IBX hubs.

Because the combined company depends on the development and growth of a balanced customer base, failure to attract and retain this base of customers could harm the combined company s business and operating results.

The combined company s ability to maximize revenues depends on its 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 the combined company will be able to generate significant interconnection revenues, which in turn increases its overall revenues. The combined company s ability to attract customers to its IBX hubs will depend on a variety of factors, including the presence of multiple carriers, the mix of products and services offered by the combined company, the overall mix of customers, the IBX hub s operating reliability and security and the combined company s ability to effectively market its services. In addition, some of the combined company s 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 the combined company s business and may adversely affect their business, financial condition and results of operations.

The combined company s products and services have a long sales cycle that may materially adversely affect the combined company s 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 the combined company s financial strength. In addition, some customers will be reluctant to commit to locating in the combined company s IBX hubs until they are confident that the IBX hub has adequate carrier connections. As a result, the combined company will have a long sales cycle. Delays due to the length of the combined company s sales cycle may materially adversely affect its business, financial condition and results of operations.

The combined company will depend on a number of third parties to provide Internet connectivity to its 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 the combined company s IBX hubs. In addition, there can be no assurance once a carrier has decided to provide Internet connectivity to the combined company s IBX hubs that it will continue to do so for any period of time.

The construction required to connect multiple carrier facilities to the combined company s IBX hubs is complex and involves factors outside of its control, including regulatory processes and the availability of construction resources. If the establishment of highly diverse Internet connectivity to the combined company s IBX hubs does not occur or is materially delayed or is discontinued, the combined company s 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 the combined company s IBX hubs. For example, on January 16, 2001, NorthPoint Communications, a carrier in one of our IBX hubs, announced that it filed a voluntary petition for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. As a result, NorthPoint terminated connectivity in our IBX hubs after its assets were sold. As an additional example, Worldcom, a significant carrier within our IBX hubs, has also recently filed a voluntary petition for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code.

Any failure of the combined company s physical infrastructure or services could lead to significant costs and disruptions that could reduce its revenue and harm its business reputation and financial results.

The combined company s 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 the combined company s 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 the combined company incurs significant financial commitments to its customers in connection with a loss of power, or its failure to meet other service level commitment obligations, its liability insurance may not be adequate to cover those expenses. In addition, any loss of services, equipment damage or inability to meet its service level commitment obligations, particularly in the early stage of the combined company s development, could reduce the confidence of its customers and could consequently impair its ability to obtain and retain customers, which would adversely affect both its ability to generate revenues and its operating results.

Furthermore, the combined company 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 the combined company s services may in the future experience difficulties due to system failures unrelated to systems and services of the combined

company. If for any reason, these providers failed to provide the required services, the combined company s business, financial condition and results of operations could be materially adversely impacted.

A portion of the managed services business we will acquire 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 the combined company under such circumstances.

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

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

The combined company s 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 the combined company s customers. We attempt to limit exposure to system downtime by using backup generators and power supplies. Power outages, which last beyond the combined company s backup and alternative power arrangements, could harm its customers and its business.

The combined company may experience service interruptions, loss of customers and drain on resources if it is unable to renew its facility leases.

The combined company will have several short term leases on its IBX hubs that are located outside of North America. For example, i-STT currently leases approximately 86,100 square feet for its facility in Singapore, of which approximately 71,900 square feet expire in July 2003. Upon its expiration, the combined company may not be able to renew its leases under reasonable terms, if at all and may have to relocate its 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 the combined company s resources.

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 the combined company will 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 those of the combined company. 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 the combined company s business, financial condition and results of operation.

Recent terrorist activity throughout the world and military action to counter terrorism could adversely impact the combined company s 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 the combined company s business and results of operations. These circumstances may also adversely affect the combined company s ability to attract and retain customers, its ability to raise capital and the operation and maintenance of its IBX hubs.

The combined company may make acquisitions, which pose integration and other risks that could harm the combined company s 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 the combined company s 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, the combined company s 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 the combined company s expenses and divert its management s attention and resources. An adverse outcome in this litigation could seriously harm the combined company s business and results of operations. In addition, the combined company may, in the future, be subject to other securities class action or similar litigation.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of the management of Equinix, i-STT and Pihana, based on information currently available to each company s management. The use of words such as believes, expects, anticipates, intends, pl estimates, should, likely or similar expressions indicates that a forward-looking statement is being made. Forward-looking statements include, among other things, the information concerning possible or assumed future results of operations of the combined company set forth under:

Summary ;

Risk Factors ;

The Combination ;

The Financing ;

The Senior Note Exchange ;

Unaudited Pro Forma Combined Consolidated Condensed Financial Statements ;

Management s Discussion and Analysis of Financial Condition and Results of Operations of Equinix ;

Management s Discussion and Analysis of Financial Condition and Results of Operations of i-STT ; and

Management s Discussion and Analysis of Financial Condition and Results of Operations of Pihana.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and stockholder values of Equinix, i-STT and Pihana may differ materially from those expressed in the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Stockholders are cautioned not to put undue reliance on any forward-looking statements. Those statements are made in reliance on the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information under Risk Factors beginning on page 19. This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Equinix, i-STT and Pihana expressly disclaim any obligation to update or alter forward-looking statements, whether as a result of new information, future events or otherwise.

MARKET PRICE AND DIVIDEND INFORMATION

Equinix Common Stock

Our common stock is traded on The Nasdaq National Market under the symbol EQIX. Our common stock began trading in August 2000. The following table sets forth the range of high and low sales prices reported on The Nasdaq National Market for our common stock for the periods indicated.

	Common Stock Price	
	High	**Low**
Year ended December 31, 2000		
Third Quarter (beginning August 10, 2000)	$ 16.19	$ 8.88
Fourth Quarter	9.75	3.50
Year ended December 31, 2001:		
First Quarter	$ 7.00	$ 1.25
Second Quarter	1.73	0.59
Third Quarter	1.43	0.38
Fourth Quarter	3.37	0.39
Year ended December 31, 2002:		
First Quarter	$ 3.38	$ 1.06
Second Quarter	1.15	0.35
Third Quarter	0.58	0.21
Fourth Quarter (through October 16, 2002)	0.36	0.22

On October 1, 2002, the last full trading day prior to the public announcement of the execution and delivery of the combination agreement, the last reported sale price of our common stock on The Nasdaq National Market was $0.35 per share. On October 16, 2002, the last reported sale price of our common stock on The Nasdaq National Market was $0.22 per share.

Because the market prices of our common stock may fluctuate, the market prices per share of the shares of our common stock that holders of i-STT and Pihana capital stock will receive in the combination, as reported on The Nasdaq National Market, may increase or decrease prior to the combination.

i-STT Capital Stock

i-STT s capital stock is not publicly traded.

Pihana Capital Stock

Pihana s capital stock is not publicly traded.

Stockholders

As of September 30, 2002, we had issued and outstanding 98,892,711 shares of our common stock held by approximately 461 stockholders of record.

As of October 2, 2002, i-STT had issued and outstanding 54,000,000 shares of its stock, all of which are held by STT Communications.

As of October 2, 2002, Pihana had issued and outstanding 34,765,057 shares of its common stock and 85,189,965 shares of its preferred stock held by approximately 56 stockholders of record.

Dividends

Neither Equinix, i-STT nor Pihana have ever declared or paid cash dividends on their respective capital stock. The combined company currently expects to retain future earnings, if any, for use in the operation and expenses of our business and does not anticipate paying any cash dividends in the foreseeable future.

OUR SPECIAL MEETING

General Information

This proxy statement is furnished in connection with the solicitation of proxies by our board of directors for a special meeting of stockholders to be held at the offices of Willkie Farr & Gallagher located at 787 Seventh Avenue, New York, New York 10019, on , , 2002, beginning at 9:00 a.m. Eastern Time, and at any adjournment or postponement of the special meeting.

Voting Rights and Solicitation of Proxies

Our common stock is the only type of security entitled to vote at the special meeting. At the close of business on , 2002, the record date for determination of stockholders entitled to vote at the special meeting, there were shares of common stock outstanding. Each stockholder of record on the record date is entitled to one vote for each share of common stock held by such stockholder on the record date. All votes will be tabulated by the inspector of elections appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

Quorum Required

Our bylaws provide that the holders of a majority of our common stock issued and outstanding and entitled to vote at the special meeting, present in person or represented by proxy, will constitute a quorum for the transaction of business at the special meeting. Abstentions and broker non-votes will be counted as present for the purpose of determining the presence of a quorum.

Votes Required

Proposal 1. Approval of the issuance of shares of our common stock and preferred stock in connection with the combination, the financing and the senior note exchange, requires the affirmative vote of a majority of the shares of common stock present at the special meeting and entitled to vote at the special meeting so long as quorum of stockholders is achieved. Abstentions will have the same effect as a vote cast against the proposal. Broker non-votes will have no effect on the approval.

Proposal 2. Adoption of the merger agreement requires the affirmative vote of a majority of the outstanding shares of common stock entitled to vote at the special meeting. Abstentions and broker non-votes will have the same effect as a vote cast against the proposal.

Proxies

Whether or not you are able to attend our special meeting, you are urged to complete and return the enclosed proxy, which is solicited by the board of directors and which will be voted as you direct on your proxy when properly completed. In the event no directions are specified, such proxies will be voted as follows:

1. FOR approval of the issuance of shares of our common stock and preferred stock in connection with the combination, the financing and the senior note exchange; and

2. FOR adoption of the agreement and plan of merger, dated as of October 17, 2002, by and between us and our wholly-owned subsidiary, Eagle Oasis, Inc.

You may also revoke or change your proxy at any time before the special meeting. To do this, send a written notice of revocation or another signed proxy with a later date to our corporate secretary so that it is received at our principal executive offices before the beginning of the special meeting. You may also automatically revoke your proxy by attending the special meeting and voting in person. All shares represented by a valid proxy received prior to the special meeting will be voted.

Solicitation of Proxies

We have retained Georgeson Shareholder Communications, Inc. at a cost of approximately $10,000 to solicit proxies. We will bear the entire cost of solicitation, including the preparation, assembly, printing and mailing of this proxy statement, the proxy, and any additional solicitation material furnished to stockholders. Copies of solicitation material will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, we may reimburse such persons for their costs of forwarding the solicitation material to such beneficial owners. The original solicitation of proxies by mail may be supplemented by solicitation by telephone, telegram or other means by our directors, officers, employees or agents. No additional compensation will be paid to these individuals for those services.

Appraisal Rights

Our stockholders are not entitled to appraisal rights in connection with the issuance of shares of our common stock and shares of our preferred stock in connection with any of the proposals in this proxy statement or in connection with the transactions contemplated by the charter merger.

PROPOSAL 1

ISSUANCE OF SHARES IN CONNECTION WITH THE COMBINATION, THE FINANCING AND THE SENIOR NOTE EXCHANGE

This section of this proxy statement describes material aspects of the combination, the financing and the senior note exchange. Although the description covers the material terms of the transaction, this summary may not contain all of the information important to our stockholders about each transaction. You should carefully read the combination agreement which is attached as Annex A and the other documents to which you are referred in this proxy statement for a more complete understanding of the combination.

Background of the Combination, the Financing and the Senior Note Exchange

In recent years, as a part of the continuous evaluation of our business, we have regularly considered a variety of strategic initiatives and transactions with a view toward increasing stockholder value. We have explored different strategic alternatives, including the consideration of acquisitions, dispositions and commercial relationships.

Commencing in mid-2001, members of our executive management team began to explore various financing strategies and alternatives intended to reduce our outstanding debt and to raise new equity capital.

In August 2001, we began discussions with Pihana regarding the possibility of entering into a strategic sales relationship. These discussions continued over the course of the next month and, in September 2001, we entered into a strategic selling agreement with Pihana whereby we would refer our customers seeking a colocation facility in Asia to Pihana s data centers.

In late October 2001, our board of directors, together with our executive management team, discussed our existing capital structure, future capital requirements and financing strategies and alternatives potentially available to us, including the possibility of raising additional equity capital and using a portion of the proceeds from an equity capital infusion to retire a portion of our outstanding senior notes.

Beginning in early November 2001, members of our executive management team had numerous meetings with a number of potential equity investors.

On November 12, 2001, members of the Pihana executive management team presented to our executive management team an overview of Pihana s business and discussed in a preliminary manner the possibility of Pihana collaborating in some manner with us, including a possible merger to strengthen both of our businesses.

In January 2002, our and Pihana s executive management teams continued to explore the possibility of collaborating together, including a combination of the companies facilities, management agreements for specified facilities or a combination of the two businesses.

On February 12, 2002, our board of directors held a regular meeting and discussed, among other matters, the status of discussions with potential equity investors. At this meeting, our board of directors authorized management to engage a financial advisor to assist us in, among other things, developing a comprehensive financing strategy, including raising additional capital. We subsequently engaged Salomon Smith Barney.

Through February and March of 2002, we continued to discuss with Pihana, on a preliminary basis, the possibility of working together, including combining our two businesses.

Commencing in early March 2002, with the assistance of our financial advisor, more than 60 financial investors were identified and contacted to determine such investors interest in making an investment in our securities. One of the investors contacted was Columbia Capital, a large stockholder of Pihana. Of those investors

contacted, approximately 25 agreed to execute a non-disclosure agreement and review materials regarding our business and the proposed transaction.

Beginning in late March 2002, members of our executive management team and representatives of our financial advisor met with more than 20 potential investors.

At a meeting with Columbia Capital, an investor in Pihana, on April 3, 2002, Columbia Capital preliminarily indicated that it might be interested in participating in a financing transaction if the transaction included our acquisition of Pihana.

During the next several months, we had numerous meetings with potential investors, including multiple follow up due diligence sessions and negotiations regarding possible transaction structures and post-transaction capitalization.

In April and May 2002, there were numerous meetings and negotiations among us, Pihana, Columbia Capital and the parties advisors to discuss further the status of the two businesses and the various proposals. These discussions focused on the possibilities of a transaction that would include our acquisition of Pihana, a capital investment in our secured convertible debt obligations by Columbia Capital and other Pihana stockholders, a reduction in our overall debt to a specified level and a restructuring of the covenants under our credit facility.

Throughout May 2002, we, together with our advisors, met with Pihana, its advisors and Columbia Capital numerous times to further discuss the terms and conditions of a possible transaction.

In mid-June 2002, Pihana indicated to us that it and its advisor would be able to introduce to us another party that expressed interest in participating in a business combination and financing transaction. Pihana and its advisor subsequently introduced us to Singapore Technologies Telemedia and STT Communications. STT Communications and Pihana agreed between themselves that each would participate in a transaction with us only if the other also participated.
On June 20, 2002, a member of our executive management team and a member of Pihana s executive management team and its advisors met with several i-STT and STT Communications executives in Singapore to present an overview of our business and Pihana s business and a possible business combination and financing.

On June 24, 2002, our board of directors held a special meeting to discuss, among other things, the status of our financing efforts and to receive an update on the meetings with i-STT and STT Communications.

In mid-July 2002, we held a number of discussions with Pihana, Columbia Capital and STT Communications and our respective advisors regarding the possible structure and terms and conditions of a business combination and financing. Each of the parties also began due diligence reviews at the end of July 2002.

On August 2, 2002, our board of directors held a regular meeting during which, among other matters, it discussed the status of the negotiations with STT Communications, Pihana and Columbia Capital as well as the possibility of other financing alternatives.

Through August 2002, we continued to discuss the terms and conditions of a business combination and financing with Pihana, Columbia Capital and STT Communications and our respective advisors, including the purchase prices related to the combination, the financial terms and related operational covenants of the financing, conditions to the consummation of the combination and financing, the necessary working capital requirements of the combined company, the necessary reduction in our outstanding debt and the terms and conditions of a renegotiated credit facility. In late August 2002, members of our executive management team met with representatives of our senior lenders and a number of holders of our senior notes to provide an overview of the possible business combination and financing transaction. These discussions were subject to confidentiality agreements.

Negotiations among Equinix, Pihana, Columbia Capital, STT Communications, our senior lenders and certain holders of our senior notes continued through September 2002, with discussions focused on a wide variety of issues, including the terms and conditions of the combination, the financing, the senior note exchange and the amendment to our credit facility. At this time, Columbia Capital advised us that it would not be able to participate in the financing as the parties had been contemplating. The parties due diligence efforts continued throughout the month.

On September 16, 2002, our board of directors held a special meeting with our executive management team, together with our legal and financial advisors, at which our board of directors reviewed the general structure of the proposed business combination and financing transaction and authorized our management team to continue negotiating the terms of the proposed transaction. At this meeting, our management and our advisors reviewed in detail with our board of directors the material terms of the transaction as currently proposed as well as the open issues not yet resolved by the parties.

Following this meeting through September 30, 2002, we, Pihana, STT Communications, our senior lenders and significant holders of our senior notes continued to negotiate the financial terms and conditions of the possible transaction. The parties also continued to finalize their due diligence reviews.

Late in the day on September 30, 2002, our board of directors met with our executive management team, together with our legal and financial advisors. Our management and advisors updated our board of directors on the resolution of issues that were not previously resolved. Salomon Smith Barney reviewed its financial analysis of the aggregate consideration to be paid by Equinix in the combination and informed our board of directors that, assuming no material changes in the transactions, and subject to review of the definitive combination agreement and related agreements, it would be in a position to deliver an opinion regarding the fairness, from a financial point of view, to Equinix of the aggregate consideration to be paid by Equinix in the combination. Salomon Smith Barney s opinion was subsequently delivered in connection with the execution of the combination agreement. Following a full discussion, our board of directors approved the combination and financing as well as related matters, and authorized our management to enter into the combination agreement, the securities purchase agreement and related agreements.

Early in the morning on October 2, 2002, the parties executed and delivered the combination agreement and the securities purchase agreement and we issued a press release announcing the transaction.

Our Reasons for the Combination, the Financing and the Senior Note Exchange

Our board of directors believes that the terms of the combination agreement and the transactions contemplated thereby are in our best interests and the interests of our stockholders. Accordingly, at a meeting held on September 30, 2002, our board of directors approved the combination agreement and recommends that our stockholders approve the issuance of shares of our common stock and preferred stock in connection with the combination, the financing and the senior note exchange. The summary set forth below briefly describes the reasons, factors and information taken into account by our board of directors in reaching its conclusion. Our board of directors did not assign any relative or specific weights to the factors considered in reaching its determination, and individual directors may have given differing weights to different factors.

In reaching its determination, our board of directors consulted with our management and legal and financial advisors, and carefully considered a number of benefits, including:

> *Additional Capital*. Our board of directors considered the opportunity to raise sufficient additional capital to retire more than $130 million of our aggregate debt, through the payment of cash and issuance of equity. The retirement of this debt significantly enhances the financial position of the combined company going forward.

Potential Bankruptcy. Our board of directors considered that we do not have sufficient cash reserves to pay our debts and that we will most likely seek bankruptcy protection if we do not complete the combination, the financing or a similar transaction.

Financial Considerations. Our board of directors evaluated the financial terms of the combination agreement and their effect on the holders of our common stock. Our board of directors also considered the financial performance and condition, businesses and prospects of Equinix, i-STT and Pihana on a stand-alone and combined basis, including information with respect to the respective earnings history and performance of each of the companies, as well as the results of our due diligence review of the companies. Our board of directors believes that the combination will create a stronger, more competitive company with greater growth potential and long-term financial stability than we would have on our own, and will, potentially, allow our stockholders to share in the combined company s new growth as a result of the combination.

Complementary Nature of Businesses. Our board of directors considered the strategic fit between the carrier-neutral business models of Equinix, i-STT, and Pihana, including an analysis of the customer bases, product offerings and geographic areas of service. Our board of directors evaluated the potential of the combined company to successfully compete in the global marketplace with the advantages of scale and geographic reach in key cities in the U.S. and Asia and determined that we would achieve significant competitive advantage exists with the combination. Additionally, our board of directors believes there are significant revenue opportunities to be gained in expanding important channel partnership relationships, such as IBM and Electronic Data Systems, serving the international needs of strategic customers such as America Online and Electronic Arts, and expanding the product and service offerings to existing and new customers in the combined company.

Market Potential. Our board of directors considered the expanded market opportunity available as the combined company of Equinix, i-STT and Pihana creates the largest global network company of neutral Internet exchange services company and significantly expands the market potential of each company. The respective companies gain access to new markets and additional growth potential without expending additional capital.

Operational Benefits. Our board of directors considered the benefits from leveraging core strengths in sales, marketing and network engineering as well as the benefits gained from the rationalization of technologies and overhead operations in combining the three companies.

The Financial Presentation and Opinion of Our Financial Advisor. Our board of directors considered the financial presentation of Salomon Smith Barney with respect to the combination, including its written opinion dated October 2, 2002 to our board of directors as to the fairness, from a financial point of view and as of the date of its opinion, to Equinix of the aggregate consideration to be paid by Equinix in the combination, as more fully described under the section entitled Opinion of Our Financial Advisor.

Terms of the Combination Agreement and Related Agreements. Our board of directors took into consideration the terms of the combination agreement and the related agreements, including the form and amount of consideration and the representations, warranties, covenants and conditions contained in those agreements. Our board of directors also considered the possibility of other financial alternatives to the combination. Our board of directors determined that the combination was the most effective transaction available to us for the purposes of enhancing long-term value for our stockholders.

Our board also identified and considered a number of potentially negative factors in its deliberations concerning the combination, including the following:

the risk that the potential benefits and synergies of the combination may not be realized;

the risk that the combination might not be consummated despite the efforts of the parties, even if approved by our stockholders;

the challenges of integrating the management teams, cultures, and organizations of the three companies;

the risk of disruption of the on-going businesses of Equinix, i-STT and Pihana, including sales momentum, as a result of uncertainties created by the announcement of the combination;

the substantial charges to be incurred in connection with the combination, including the costs of integrating the businesses and transaction expenses arising from the combination;

the risk that Pihana s cash position will not meet expectations, given the current market environment; and

the risk that, despite the efforts of the combined company, key technical and management personnel might not remain employed by the combined company.

The discussion of the information and factors considered by our board of directors is not intended to be exhaustive. In view of the variety of factors considered in connection with its evaluation of the combination, our board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weight to the specific factors considered in reaching their determination.

Recommendation of Our Board of Directors

For the reasons discussed above, our board of directors has unanimously approved and adopted the combination, the financing and the senior note exchange and believes that the terms of those transactions are in our best interests and those of our stockholders. Our board of directors unanimously recommends that our stockholders vote FOR the approval of the issuance of shares in the combination, the financing and the senior note exchange.

Opinion of Our Financial Advisor

We retained Salomon Smith Barney to act as our financial advisor in connection with the proposed combination. In connection with this engagement, we requested that Salomon Smith Barney evaluate the fairness, from a financial point of view, to Equinix of the aggregate consideration to be paid by Equinix in the combination. Salomon Smith Barney delivered to the Equinix board of directors a written opinion dated October 2, 2002, the date of execution of the combination agreement, to the effect that, as of that date and based on and subject to the matters described in the opinion, the aggregate consideration to be paid by Equinix in the combination was fair, from a financial point of view, to Equinix. In this section we refer to the combination, the financing, the senior note exchange and the amendment to our credit facility collectively as the transactions.

In arriving at its opinion, Salomon Smith Barney:

reviewed the combination agreement and related documents;

held discussions with our senior officers, directors and our other representatives and advisors and senior officers and other representatives of Pihana and i-STT concerning the businesses, operations and prospects of Equinix, Pihana and i-STT;

examined publicly available business and financial information relating to Equinix and other business and financial information relating to Pihana and i-STT;

examined financial forecasts, estimates and other information and data relating to Equinix, Pihana and i-STT, which were provided to or otherwise discussed with Salomon Smith Barney by the management of Equinix, Pihana and i-STT, including operational benefits anticipated by the management of Equinix to result from the transactions;

reviewed the financial terms of the transactions as described in the combination agreement and related documents or as otherwise described to Salomon Smith Barney by our representatives in relation to, among other things, current and historical market prices and trading volumes of our common stock, the

historical and projected earnings and other operating data of Equinix, Pihana and i-STT, and the capitalization and financial condition of Equinix, Pihana and i-STT, including the liquidity needs of, and capital resources available to, Equinix;

analyzed the estimated present value of unlevered, after-tax free cash flows of Equinix using assumptions of future financial performance of Equinix before and after giving effect to the transactions provided to or discussed with Salomon Smith Barney by our management;

considered, to the extent publicly available, the financial terms of bankruptcy transactions effected which Salomon Smith Barney considered relevant;

reviewed financial, stock market and other publicly available information relating to the businesses of other companies whose operations Salomon Smith Barney considered relevant in evaluating those of Equinix;

evaluated the potential pro forma financial impact of the transactions on Equinix;

at our direction, solicited, and held discussions with, third parties regarding a possible investment in, or strategic transaction with, Equinix; and

conducted other analyses and examinations and considered other financial, economic and market criteria as Salomon Smith Barney deemed appropriate in arriving at its opinion.

In rendering its opinion, Salomon Smith Barney assumed and relied, without independent verification, on the accuracy and completeness of all financial and other information and data publicly available or furnished to or otherwise reviewed by or discussed with it. With respect to financial forecasts, estimates and other information and data relating to Equinix, Pihana and i-STT provided to or otherwise discussed with Salomon Smith Barney, Equinix s, Pihana s and i-STT s management advised Salomon Smith Barney that those forecasts, estimates and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of Equinix s, Pihana s and i-STT s management as to the future financial performance of Equinix, Pihana and i-STT, the pro forma capital structure of Equinix and other matters, and Salomon Smith Barney assumed, with our consent, that the financial results reflected in those forecasts, estimates and other information and data would be realized in the amounts and at the times projected. Salomon Smith Barney assumed, with our consent, that the transactions will be consummated in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory and third party approvals and consents for the transactions, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Equinix, Pihana or i-STT or the contemplated benefits to Equinix of the transactions.

Salomon Smith Barney did not express any opinion as to what the value of our common stock or our other securities issuable in connection with the transactions actually will be when issued or the prices at which those securities will trade or otherwise be transferable at any time. Salomon Smith Barney did not make and was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Equinix, Pihana or i-STT and did not make any physical inspection of the properties or assets of Equinix, Pihana or i-STT. Our representatives advised Salomon Smith Barney, and at our direction Salomon Smith Barney assumed, that the financing, the senior note exchange and the amendment to our credit facility would not occur in the absence of the combination. Our representatives also advised Salomon Smith Barney and, at our direction Salomon Smith Barney assumed, that, given Equinix s financial condition and near-term prospects, including, without limitation, its financial ability to satisfy its outstanding obligations and working capital requirements, and the results of the business strategies and financial alternatives which Equinix had explored to date, Equinix s most likely available alternatives were (a) to commence bankruptcy or similar proceedings or (b) to effect the transactions. Accordingly, with our consent, for purposes of Salomon Smith Barney s opinion, Salomon Smith Barney s evaluation of the aggregate consideration to be paid in the combination was based on a comparison of the estimated per share value of our common stock before and after giving effect to the transactions. Salomon Smith Barney s opinion does not address any other aspect of the transactions, the relative merits of the transactions as compared to any alternative business strategies or financial alternatives that might exist for

Equinix or the effect of any other transaction in which Equinix might engage. Salomon Smith Barney s opinion is necessarily based on information available to Salomon Smith Barney, and financial, stock market and other conditions and circumstances existing and disclosed to Salomon Smith Barney, as of the date of its opinion. We imposed no other instructions or limitations on Salomon Smith Barney with respect to the investigations made or procedures followed by Salomon Smith Barney in rendering its opinion.

The full text of Salomon Smith Barney s written opinion dated October 2, 2002, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this proxy statement as Appendix B and incorporated into this proxy statement by reference. Salomon Smith Barney s opinion is addressed to our board of directors and relates only to the fairness, from a financial point of view, to Equinix of the aggregate consideration to be paid by Equinix in the combination, does not address any other aspect of the combination or any aspect of any related transaction, including the financing, the senior note exchange or the amendment to our credit facility, and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the combination or any related transaction.

In preparing its opinion, Salomon Smith Barney performed a variety of financial and comparative analyses, including those described below. The summary of these analyses is not a complete description of the analyses underlying Salomon Smith Barney s opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to summary description. Accordingly, Salomon Smith Barney believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Salomon Smith Barney considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Equinix, Pihana and i-STT. No company, transaction or business used in those analyses as a comparison is identical to Equinix, Pihana and i-STT or the proposed transactions, and an evaluation of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the transactions, public trading or other values of the companies, business segments or transactions analyzed.

The estimates contained in Salomon Smith Barney s analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not necessarily purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Salomon Smith Barney s analyses and estimates are inherently subject to substantial uncertainty.

Salomon Smith Barney s opinion and analyses were only one of many factors considered by the Equinix board of directors in its evaluation of the combination and should not be viewed as determinative of the views of the Equinix board or management with respect to the combination or the aggregate consideration to be paid by Equinix in the combination.

The following is a summary of the material financial analyses performed by Salomon Smith Barney in connection with the rendering of its opinion dated October 2, 2002 to our board of directors. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Salomon Smith Barney s financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the**

methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Salomon Smith Barney s financial analyses.

Equinix Financial Analyses

Introduction. Salomon Smith Barney s evaluation of the aggregate consideration to be paid by Equinix in the combination was based on a comparison of the estimated per share value of our common stock before and after giving effect to the transactions. Salomon Smith Barney performed discounted cash flow analyses for Equinix both on a standalone and pro forma basis in order to compare the estimated implied per share equity reference ranges for Equinix before and after giving effect to the transactions and also analyzed the estimated implied equity reference range for Equinix based on the financial terms of selected transactions involving companies in the web hosting industry that either were sold or recapitalized through a bankruptcy process. Salomon Smith Barney also performed a contribution analysis in which Salomon Smith Barney compared the estimated percentage of selected operational metrics which Equinix would contribute to the combined company relative to the estimated equity percentage ownership in the combined company of current holders of our common stock. Each of these analyses are more fully described below.

Discounted Cash Flow Analyses

Standalone. Salomon Smith Barney performed a discounted cash flow analysis of Equinix to calculate the estimated present value of the unlevered, after-tax free cash flows that Equinix could generate over calendar years 2003 through 2006 on a standalone basis. Estimated financial data for Equinix were based on internal estimates of and discussions with our management assuming a hypothetical funding scenario consisting of a $50.0 million investment for a 45% equity interest in Equinix, a $50.0 million reduction in the aggregate principal amount outstanding under our credit facility in exchange for $10.0 million in cash and a 22.5% equity interest in Equinix and an exchange of all of our outstanding senior notes for a 27.5% equity interest in Equinix. Salomon Smith Barney calculated a range of estimated future perpetual cash flows by applying perpetuity growth rates ranging from 0.75% to 2.25% to Equinix s calendar year 2006 estimated free cash flow. The present value of cash flows was calculated using discount rates ranging from 16.0% to 18.0%.

Pro Forma. Salomon Smith Barney also performed a discounted cash flow analysis of Equinix to calculate the estimated present value of the pro forma, unlevered, after-tax free cash flows that Equinix could generate over fiscal years 2003 through 2006 after giving effect to the transactions. Estimated financial data for Equinix were based on internal estimates of and discussions with our management assuming payment in kind of interest accruing through maturity on all outstanding Series A-1 convertible secured notes. Salomon Smith Barney calculated a range of estimated future perpetual cash flows by applying perpetuity growth rates ranging from 1.25% to 2.75% to Equinix s calendar year 2006 estimated free cash flow. The present value of cash flows was calculated using discount rates ranging from 16.0% to 18.0%.

The standalone and pro forma discounted cash flow analyses described above indicated the following estimated implied per share equity reference range for Equinix on a standalone basis, as compared to the estimated implied per share equity reference range for Equinix after giving effect to the transactions:

Estimated Implied Per Share Equity Reference Range for Equinix Standalone	Estimated Implied Per Share Equity Reference Range for Equinix Pro Forma
$0.18 to $0.23	$0.61 to $0.82

Bankruptcy Exit Precedents Analysis

Salomon Smith Barney reviewed exiting firm values and implied firm value multiples in five selected transactions involving companies in the web hosting industry that either were sold or recapitalized through a bankruptcy process. Salomon Smith Barney reviewed firm values in the selected transactions as a multiple of latest fiscal quarter annualized and latest 12 months estimated revenue. All multiples for the selected transactions

were based on latest publicly available information for each target company prior to bankruptcy. Estimated financial data for Equinix were based on internal estimates of and discussions with our management. Salomon Smith Barney applied ranges of selected multiples of latest fiscal quarter annualized and latest 12 months estimated revenue derived from the selected transactions to corresponding data of us as of June 30, 2002 to calculate an estimated implied firm value range for Equinix. Equinix s net debt was then deducted in order to derive an implied equity reference range for Equinix. Given that Equinix s net debt exceeded the range of firm values calculated for Equinix (regardless of whether the face value or estimated market value of Equinix s outstanding indebtedness was used), this analysis indicated that the estimated implied equity reference range for Equinix was not meaningful. Salomon Smith Barney also noted that the percentage of the aggregate consideration received by, or percentage ownership in the recapitalized companies of, holders of common stock in the selected transactions ranged from approximately 0% to 10%.

Contribution Analysis

Salomon Smith Barney reviewed the relative contributions of Equinix, i-STT and Pihana to estimated calendar years 2002, 2003 and 2004 revenue and earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA, of the combined company as adjusted for each entity s net debt contribution. Estimated data for Equinix, i-STT and Pihana were based on internal estimates of and discussions with the management of Equinix, i-STT and Pihana, reflecting, in the case of their net debt contributions, the market value of Equinix senior notes and the $30.0 million investment by STT Communications in the financing. Salomon Smith Barney then compared Equinix s percentage contributions of estimated calendar years 2002, 2003 and 2004 revenue and EBITDA to the combined company relative to the estimated equity percentage ownership in the combined company of current holders of our common stock after giving effect to the transactions assuming payment in kind of interest accruing through maturity on all outstanding Series A-1 convertible secured notes. This analysis indicated the following estimated implied contribution percentage reference range for Equinix, as compared to the estimated equity percentage ownership of current holders of our common stock in the combined company after giving effect to the transactions assuming payment in kind of interest accruing through maturity on all outstanding Series A-1 convertible secured notes:

Estimated Implied Percentage Contribution Reference Range for Equinix	Estimated Pro Forma Equity Percentage Ownership of Holders of Equinix Common Stock
13.7% to 24.5%	18.7%

Other Factors

In rendering its opinion, Salomon Smith Barney also reviewed and considered other factors, including:

historical trading prices and trading volumes for our common stock during the 12-month period ended September 27, 2002;

a comparison of selected operational metrics of Equinix and the following selected companies in the web hosting industry Digex, Incorporated, Genuity Inc., Internap Network Services Corporation, NaviSite, Inc. and SAVVIS Communications Corporation;

Equinix s estimated monthly cash balance during the period beginning March 2002 and ending December 2004, and Equinix s projected monthly operating free cash flow relative to its cash obligations for debt servicing during the period beginning March 2003 and ending December 2004, in each case before and after giving effect to the transactions based on internal estimates of our management; and

a comparison of Equinix s capital structure before and after giving effect to the transactions.

Miscellaneous

In addition to acting as our financial advisor in connection with the proposed combination, Salomon Smith Barney also has provided services to us in connection with the proposed financing. Under the terms of its

engagement, we have agreed to pay Salomon Smith Barney for its services upon completion of the combination and the financing an aggregate fee that is currently estimated to be approximately $3.5 million. We also have agreed to reimburse Salomon Smith Barney for reasonable travel and other expenses incurred by Salomon Smith Barney in performing its services, including reasonable fees and expenses of its legal counsel, and to indemnify Salomon Smith Barney and related persons against liabilities, including liabilities under the federal securities laws, arising out if its engagement.

In the ordinary course of business, Salomon Smith Barney and its affiliates may actively trade or hold the securities of Equinix and affiliates of STT Communications for their own account or for the account of customers and, accordingly, may at any time hold a long or short position in those securities. One of Salomon Smith Barney s affiliates engaged in the commercial lending business is a significant creditor under our credit facility which is proposed to be amended in connection with the transactions, for which amendment its affiliate will receive an amendment fee. Salomon Smith Barney also acted as joint book-running lead arranger, and one of Salomon Smith Barney s affiliates is the administrative agent, for the credit facility, for which services Salomon Smith Barney and its affiliate received, and will receive, customary fees. Salomon Smith Barney and its affiliates in the past have provided services to us unrelated to the proposed transactions, including having acted as lead initial purchaser for the $200.0 million offering of our senior notes in December 1999 and as co-lead managing underwriter for the initial public offering of Equinix common stock in August 2000, for which services Salomon Smith Barney and its affiliates received compensation. Salomon Smith Barney and its affiliates also provided services to affiliates of STT Communications unrelated to the proposed transactions, for which services Salomon Smith Barney and its affiliates have received compensation. In addition, Salomon Smith Barney and its affiliates, including Citigroup Inc. and its affiliates, may maintain relationships with Equinix, Pihana, STT Communications and their respective affiliates.

Salomon Smith Barney is an internationally recognized investment banking firm and was selected by us based on its reputation, experience and familiarity with us and our businesses. Salomon Smith Barney regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes.

Interests of Our Directors and Executive Officers

When considering the recommendation of our board of directors that stockholders approve the issuance of shares of common stock in the combination, you should be aware that some of our directors and executive officers have interests in these transactions that are different from, or are in addition to, your interests. Our board of directors was aware of these potential conflicts and considered them. These include:

Stock Options. Immediately following the closing, the combined company will issue options to its employees (including two directors who are employees) which represent approximately 5-8% of our capitalization following the closing, including significant grants to the combined company s management team, most of whom are members of our current management team.

Directors. Up to five of our current directors may remain on our board of directors following the closing. See Governance of the Combined Company beginning on page 78.

Indemnification of Directors and Officers. Our executive officers and directors have customary rights to indemnification against losses incurred as a result of action or omission occurring prior to the closing. In addition, our executive officers and directors have customary indemnification agreements that provide for additional indemnification.

As a result, these directors and executive officers could be more likely to vote in favor of recommending the issuance of shares of common stock in the combination, the financing and the senior note exchange than if they did not hold these interests.

THE COMBINATION

General

The combination is the purchase by one of our indirect wholly-owned subsidiaries of all of the outstanding stock of i-STT from STT Communications and the merger of one of our subsidiaries with Pihana. Both of these transactions are described in more detail below. The combination agreement governs the terms of both the i-STT stock purchase and the Pihana merger.

The Pihana Merger

In the acquisition of Pihana, Eagle Panther Acquisition Corp., a Delaware corporation and our indirect wholly-owned subsidiary will merge with and into Pihana through a merger. Following the Pihana merger, Pihana will become a wholly-owned indirect subsidiary of us. See The Combination The Pihana Merger Determination of the Pihana Merger Consideration beginning on page 48.

Determination of the Pihana Merger Consideration

In General. At the closing, we will issue to Pihana s preferred stockholders and certain members of Pihana s senior management shares of our common stock representing up to 22.5% (subject to adjustment as described below) of our modified fully diluted share amount (as described below) and $10,000 in exchange for all of the outstanding preferred shares of Pihana. Pihana s common stock has no right, under Pihana s organization documents, to any of the merger consideration.

Pihana s warrants will be converted into warrants to purchase our common stock. However, we will not assume any outstanding options to purchase Pihana stock.

Modified Fully Diluted Share Amount for Consideration Calculation. For the purpose of determining the combination consideration, our modified fully diluted share amount means all shares of our common stock outstanding, including shares of our common stock to be issued in the senior note exchange and the combination, and all outstanding warrants and options to purchase our common stock with an exercise price equal to or less than $2.00 (after giving effect to any anti-dilution adjustments triggered by the combination and as adjusted for the assumed cashless exercise of those options and warrants).

Adjustment to Merger Consideration. The aggregate number of shares to be issued in the Pihana merger is subject to adjustment based upon the cash balance of Pihana at the opening of business, without giving effect to the combination, on the day of the closing. For this purpose, the Pihana cash balance includes not only Pihana and its subsidiaries cash and cash equivalents, but also includes collectible tax receivables, prepaid restructuring costs and expenses and a pre-determined amount of employment-related payments and advisors fees. Deducted from the Pihana cash balance will be any non-payment of a pre-determined amount of capital expenditures, liabilities to be incurred after the closing in connection with arrangements to terminate or amend Pihana s office lease in Singapore, its office lease in Honolulu, Hawaii and part of its data center lease in Los Angeles, California, a decrease in Pihana working capital from Pihana s $5.06 million deficit at June 30, 2002 and any cash received pursuant to the exercise of Pihana options or warrants.

The maximum percentage of our modified fully diluted share amount that is issuable in the Pihana merger is 22.5% of our modified fully diluted share amount (as described above) if the Pihana cash balance at closing is $28.0 million or greater (assuming the closing occurs on or before December 31, 2002, that dollar amount will be adjusted if the closing occurs at a later date). The minimum percentage of our modified fully diluted share amount that is issuable in the Pihana merger is 16% of our modified fully diluted share amount if the Pihana cash balance at closing is $23.0 million (assuming the closing occurs on or before December 31, 2002, that dollar amount will be adjusted if the closing occurs at a later date). The number of shares to be issued in the Pihana merger will be based upon a sliding scale between 16% and 22.5% of our modified fully diluted share amount based on a Pihana

closing cash balance of between $23.0 million and $28.0 million, respectively. In addition, a downward adjustment to the Pihana merger consideration will result in a corresponding increase in the percentage of shares in the combined company held by our existing stockholders and STT Communications following the combination. Our stockholders will receive the exclusive benefit of a downward Pihana merger consideration adjustment that results from a Pihana closing cash balance of less than $28.0 million but equal to or greater than $26.0 million. If the Pihana closing cash balance is less than $26.0 million but greater than or equal to $23.0 million the benefit of the adjustment will be shared pro rata by our stockholders and STT Communications. The following table sets forth the respective percentage ownership of our pre-closing stockholders, STT Communications and the former Pihana stockholders based on the Pihana closing cash balance.

Pihana Cash Balance (in millions)	Pihana Aggregate Merger Consideration*	i-STT Stock Purchase Consideration*	Our Post-Combination Shares*
$23.0	16.00%	28.88%	55.13%
$24.0	17.33%	28.42%	54.25%
$25.0	18.67%	27.96%	53.38%
$26.0	20.00%	27.50%	52.50%
$27.0	21.25%	27.50%	51.25%
$28.0 or greater	22.50%	27.50%	50.00%

* Percentages correspond to a percentage of our modified fully diluted share amount as of the closing of the combination without taking into account shares issuable pursuant to securities issued in the financing.

A Pihana cash balance of less than $23.0 million represents the failure of a closing condition, but is waivable at our option and at the option of STT Communications. See Summary of the Combination Agreement Closing Conditions beginning on page 60.

In addition to the potential downward adjustment to the merger consideration based on the Pihana cash balance at closing, the Pihana merger consideration may also be upwardly adjusted based on our working capital balance and i-STT s working capital balance at the opening of business, without giving effect to the combination, on the day of closing. For this purpose, our working capital is defined as our and our subsidiaries consolidated current assets (including cash, cash equivalents and short-term investments, but not including any cash received pursuant to the exercise of our options or warrants) minus our current liabilities (not including the current portion of long-term liabilities, short-term indebtedness or accrued interest). See The Stock Purchase Determination of the i-STT Stock Purchase Consideration Adjustment to Stock Purchase Consideration beginning on page 50.

Our target working capital balance at the closing is $644,000 or greater (assuming the closing occurs on or before December 31, 2002, that amount will be adjusted if the closing occurs at a later date). If our working capital balance at the opening of business, without giving effect to the combination, on the day of closing of less than $644,000 but no greater than a working capital deficit of ($2,688,000) will be a downward adjustment of our post-combination shares and a corresponding upward adjustment of the Pihana merger consideration and the i-STT stock purchase consideration. The amount of this downward adjustment will be determined by dividing (a) the difference of (1) $644,000 and (2) our working capital balance at the closing, to the extent the working capital balance at the opening of business, without giving affect to the combination, on the day of closing is less than $644,000, by (b) $1.53. For example, assuming a Pihana cash balance of $28.0 million, the Pihana merger

consideration and the i-STT stock purchase consideration will adjust as follows based on our following illustrative working capital balances:

Assuming $28.0 Million in Cash from Pihana

	Percent Ownership upon closing of Combination*		
Our Working Capital/(Deficit) (in thousands)	**Pihana Aggregate Merger Consideration**	**i-STT Stock Purchase Consideration**	**Our Post-Combination Shares**
$644	22.50%	27.50%	50.00%
$144	22.52%	27.53%	49.95%
($356)			