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Equinix Agrees to Divest Eight European Assets to Digital Realty Trust, Inc.

Digital Realty offers Equinix $874.4 million for eight European sites, pending European Commission approval

REDWOOD CITY, Calif. and LONDON, May 16, 2016 /PRNewswire/ -- Equinix, Inc. (Nasdaq: EQIX), the global interconnection and data center company, today announced that it has reached an agreement to divest eight assets in its European business to Digital Realty Trust, Inc. (NYSE: DLR) for the amount of $874.4 million. As a condition of obtaining clearance from the European Commission in November 2015 for Equinix's acquisition of TelecityGroup plc, Equinix selected and agreed to divest the following facilities: TelecityGroup's Bonnington House, Sovereign House, Meridian Gate and Oliver's Yard data centers and Equinix's West Drayton data center in London; TelecityGroup's Science Park and Amstel Business Park I in Amsterdam; and TelecityGroup's Lyonerstrasse data center in Frankfurt.

The agreement is subject to certain customary closing conditions, including approval by the European Commission, as well as completion of the works council consultation process in the Netherlands. Upon approval by the European Commission, and satisfaction of the other conditions, the transaction is expected to close in Q3.

Additionally, Equinix has separately negotiated with Digital Realty a binding option for Equinix to acquire Digital Realty's operating business including its real estate and facility in St. Denis, Paris where Equinix has an established presence with its PA2 and PA3 International Business Exchange™ (IBX®) data centers. The acquisition is subject to certain conditions, including confirmatory due diligence by Equinix, any mandatory governmental or local authority approvals, and any required employee consultation processes. The acquisition is expected to complete in the second half of 2016.

Highlights / Key Facts

- On January 15, 2016, Equinix completed the acquisition of TelecityGroup plc in a transaction valued at approximately $3.8 billion (£2.6 billion). The addition of TelecityGroup's 34+ data centers, net of the divestment, more than doubles Equinix's capacity in Europe, fortifying its position as the largest retail colocation provider in the region and in the world.
- The acquisition of TelecityGroup adds critical network and cloud density to better serve enterprise customers who see interconnection as a core IT design principle and are increasingly moving to highly interconnected, global data centers for accelerated business performance and innovation.
- In addition, Equinix has added seven new markets in Europe to its portfolio, providing customers even more ways to connect with other businesses around the world on Platform Equinix™. Resulting from the market additions, Equinix now operates 145 data center facilities, net of the divestment, in 40 markets, including the additions of Dublin, Helsinki, Istanbul, Manchester, Sofia, Stockholm, and Warsaw.

- The option agreement for Equinix to acquire the operating business and facility in St. Denis, Paris where Equinix has an established presence and a strong customer base furthers its commitment to the Paris and European markets and its corporate strategy of owning the underlying real estate on which Equinix operates its large data center campuses.

Quotes

- **Steve Smith, president and CEO, Equinix:**
  "We are pleased to reach this divestiture milestone to satisfy the European Commission requirements, as agreed to with our purchase of TelecityGroup. Additionally, our proposed purchase of the Paris land and business assets from Digital Realty is a key step in our strategy to invest behind our customers and ecosystems in locations where we have sizable campuses – this includes Paris. Both of these deals today enable us to focus on increased growth of the Equinix portfolio. With increased interconnection in Europe, Equinix continues to build on its global market leadership, creating new opportunities to grow business ecosystems around the world."

Additional Resources

- Equinix Extends Global Data Center Leadership as Telecity Deal Goes Final [blog]
- European Commission Grants Clearance for Equinix Offer to Acquire Telecity [press release]
- Equinix makes Recommended Offer for TelecityGroup [press release]
- Recommended Cash and Share Offer for Telecity Group PLC by Equinix, Inc. [press release]

About Equinix
Equinix, Inc. (Nasdaq: EQIX) connects the world's leading businesses to their customers, employees and partners inside the most interconnected data centers. In 40 markets across five continents, Equinix is where companies come together to realize new opportunities and accelerate their business, IT and cloud strategies. www.equinix.com.

Forward Looking Statements
This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual results to differ materially from expectations discussed in such forward-looking statements, including statements related to the acquisition of Telecity and the expected benefits from the acquisition, statements related to the agreement to divest certain Equinix and Telecity assets to Digital Realty and statements related to the option to purchase land and business assets from Digital Realty in Paris. Factors that might cause such differences include, but are not limited to, a failure to fulfill the closing conditions to the agreement with Digital Realty to divest the Equinix and Telecity assets; a failure to exercise the option to purchase land and business assets from Digital Realty in Paris; unanticipated costs or difficulties relating to the integration of companies we have acquired or will acquire into Equinix, including Telecity; the challenges of acquiring, operating and constructing IBX centers and developing, deploying and delivering Equinix services; a failure to receive significant revenue from customers in recently built out or acquired data centers; failure to complete any financing arrangements contemplated from time to time; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay new or outstanding indebtedness; the loss or decline in business from our key customers; and other risks described from time to time in Equinix's filings with the

Securities and Exchange Commission. In particular, see Equinix's recent quarterly and annual reports filed with the Securities and Exchange Commission, copies of which are available upon request from Equinix. Equinix does not assume any obligation to update the forward-looking information contained in this press release.

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To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/equinix-agrees-to-divest-eight-european-assets-to-digital-realty-trust-inc-300268902.html

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