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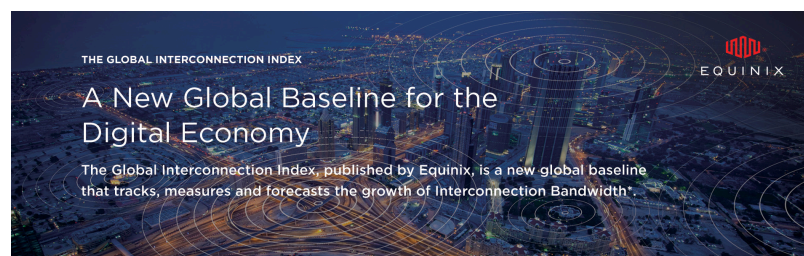
Private Data Exchange Between Businesses Forecasted to Outpace the Public Internet by Nearly 2x in Growth and 6x in Volume by 2020

Inaugural Global Interconnection Index Finds Interconnection Becoming an Essential Building Block of the Global Digital Economy

REDWOOD CITY, Calif., Aug. 16, 2017 /PRNewswire/ -- The capacity for private data exchange between businesses is outpacing the public Internet, growing at nearly twice the rate and comprising nearly six times the volume of global IP traffic by 2020, according to the [Global Interconnection Index](#), a new market study published by Equinix that analyzed the adoption profile of thousands of carrier-neutral colocation data center providers and ecosystem participants globally. As business models become increasingly digital, distributed and dependent on the real-time engagement of many more users, partners and service providers, the Index is a powerful new research tool. It highlights how companies are translating digital transformation into action and creating entirely new ways of connecting with their customers, partners and supply chain. The Index will provide an annual baseline to track, measure and forecast the growth of Interconnection Bandwidth, defined as the total capacity provisioned to privately and directly exchange traffic with a diverse set of counterparties and providers at distributed IT exchange points.

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"Some of the greatest technology trends of our lifetime, including mobile, social, cloud and the explosion of data, are creating disruption on the scale of the Industrial Revolution," said Sara Baack, Chief Marketing Officer for Equinix, Inc. "In this new reality, it's a 'scale-or-fail' proposition and companies are succeeding by adopting Interconnection, locating their IT infrastructure in immediate proximity to an ecosystem of companies that gather to physically connect their networks to those of their customers and partners. Interconnection helps fuel digital transformation by supporting multicloud consumption at scale, improving network latency and performance, enabling greater operational control, and reducing security risk."

According to the Index, Interconnection Bandwidth is expected to grow at a 45 percent CAGR to reach 5,000 Tbps by 2020, dwarfing Global IP traffic in both growth (24 percent)

and volume (855 Tbps)¹. It is also growing faster than Multiprotocol Label Switching (MPLS), the legacy model of business connectivity, by a factor of 10x (45 percent to four percent)².

Key macroeconomic, technology and regulatory trends that are impacting Interconnection growth include:

- **Digital Technology Use**, which forces the need to support real-time interactions requiring more Interconnection Bandwidth. According to Accenture, digital technology use is projected to add \$1.36 trillion in additional economic output in the world's top 10 economies by 2020³.
- **Urbanization**, which is transforming global demographics and creating a proximity need for digital services concentrated across metro centers globally. More than two billion people are expected to migrate to major cities by 2035, creating as many as 50 major urban metro hubs⁴ requiring dense Interconnection fabrics.
- **Cybersecurity Risk**, which expands Interconnection consumption as firms increasingly shift to private data traffic exchange to bypass the public Internet and mitigate against digital threats. By 2020, an estimated 60 percent of digital businesses will suffer major service failures⁵ as breaches permeate across physical and digital platforms.
- **Global Trade of Digitally Deliverable Services**, which ushers in a new era of dynamic business processes and demand for Interconnection. Global digital workflows require a global mesh of Interconnected metros to fulfill demand. According to McKinsey⁶, trade in digitally deliverable services now comprises 50 percent of total services exports globally, with an expected 9x increase by 2020.

Highlights / Key Facts

- The Index provides significant insight into regional differences in how Interconnection is accelerating in different regions of the world. While the U.S. is forecast to have the largest amount of Interconnection Bandwidth, it is the most mature region, and other regions are more rapidly provisioning Interconnection Bandwidth to rival the projected deployment levels in the U.S. The following table outlines projections across all four regions:

Interconnection Installed Bandwidth Capacity (Tbps)						
	2016	2017	2018	2019	2020	CAGR
Region						
US	472	654	913	1,275	1,795	40%
EU	335	473	681	987	1,451	44%
AP	246	355	519	759	1,120	46%
LATAM	92	154	249	395	626	62%
Total Region	1,144	1,636	2,363	3,417	4,991	45%

- The Index also forecasts Interconnection Bandwidth by use case for both enterprises and service providers. The largest use case is associated with traditional IT deployment models, in which businesses connect to network providers as an

intermediary path to reach business partners and customers. However, the fastest growing use case is enterprises connecting directly to a range of cloud and IT service providers, confirming the transformational shift of IT infrastructure from centralized, enterprise-owned data centers to decentralized, physically dispersed multicloud environments. The following table outlines projections for the top enterprise and service provider use cases:

Interconnection Installed Bandwidth Capacity (Tbps)						
	2016	2017	2018	2019	2020	CAGR
Enterprise Use Cases						
Interconnecting to Network Providers	372	571	880	1,341	1,986	52%
Interconnecting to Cloud & IT Providers	12	31	80	209	547	160%
Interconnecting to Supply Chain Partners	5	9	17	29	45	73%
Service Provider Use Cases						
Interconnecting to Network Providers	537	703	913	1,167	1,459	28%
Interconnecting to Cloud & IT Providers	30	50	85	145	248	70%

- The centricity of digital technology is disrupting how business is done across all industries, forcing companies to invent new, information-centric business models. The Index forecasts the banking and insurance segment will be the largest consumer of Interconnection Bandwidth, as digitization is forcing this industry to support new customer engagement models. Telecommunications is projected to be the second largest segment, with the need to provide coverage in many new locations and support the proliferation of connected devices and sensors. The third largest segment is projected to be cloud and IT services as it provides a critical building block for digital enablement. The following table breaks down the projections by industry:

Interconnection Installed Bandwidth Capacity (Tbps)						
	2016	2017	2018	2019	2020	CAGR
By Industry						
Banking & Insurance	144	230	367	590	958	61%
Telecommunications	319	409	523	662	826	27%
Cloud & IT Services	221	314	445	607	820	39%

- As crucial as Interconnection is to how digital business is conducted, it has never been quantified. The Global Interconnection Index changes this with industry-first projections of how Interconnection growth and access will unfold through 2020. This in-depth view arms businesses with the data-driven insight they need to consider their own Interconnection strategy for digital business success. For the first time, organizations can see multi-dimensional projections of Interconnection Bandwidth requirements by region, industry, use case, firmographics and maturity model.

Industry Perspectives on the Global Interconnection Index

- Brad Casemore, Research Director, Datacenter Networks, IDC:**
"Interconnection is an integral building block for digital business. The Global

Interconnection Index provides a barometer of the growing relevance of the need to solve for proximity to digital services across all industries. This need is driven by latency, accelerating time to market and integrating multicloud on a local basis."

- **Munu Gandhi, Vice President, Core Infrastructure Services, Aon:**
"The Global Interconnection Index captures a critical component to enabling digital business: Interconnection. Reliable and robust Interconnection capabilities across ecosystems like those outlined in the Index will be increasingly important for companies to enable new paths for global growth and opportunity."

About The Global Interconnection Index

The Global Interconnection Index was developed by creating a market baseline that analyzed the deployment profile of thousands of carrier-neutral colocation data center providers and the participants deployed within them globally across every region and major metro. This data was combined with local and regional market data (including macroeconomic trends, market demographics and industry concentrations), and with key demand drivers of digital business, to form a weighted demand multiplier to assist in predicting growth to factor the impact of digital business transformation. A detailed methodology description is included in the [Global Interconnection Index](#).

Additional Resources

- [Interconnection Strategy Guide](#)
- [Global Interconnection Index Infographic](#)
- [Colocation-Based Interconnection Will Serve as the 'Glue' for Advanced Digital Business Applications](#) [Gartner Report]
- [Interconnection 201: Blueprints for the Interconnected Enterprise](#) [451 Research Report]
- www.IOAKB.com [Interconnection Open Community Knowledgebase]

Footnotes

1. Cisco -- Visual Networking Index: Forecast and Methodology, 2016–2021, June 7, 2017
2. Research and Markets -- Global MPLS Market Growth of 4.4% CAGR by 2021, September 2016
3. Accenture Strategy -- Digital Density Index: Guiding Digital Transformation
4. "Connectography" by Parag Khanna, April 19, 2016
5. Gartner -- Special Report: Cybersecurity at the Speed of Digital Business, August 30, 2016 (ID: G00315580)
6. McKinsey Global Institute -- Digital Globalization: The New Era of Global Flows, March 2016

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 44 markets worldwide, Equinix is where companies come together to realize new opportunities and accelerate their business, IT and cloud strategies. <http://www.equinix.com/>

Forward Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Factors that might cause such differences include, but are not limited to the 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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