Equinix Group Limited

Annual Report for the year ended

31 December 2014

Registered number 03796971

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Equinix Group Limited

Contents

Strategic report for the year ended 31 December 2014

The directors present their strategic report on Equinix Group Limited ("the Company") for the year ended 31 December 2014.

Principal activities

All activity relates to interest received or intra-group balances (note 5). The directors intend to have wound up the Company within 12 months of the signing of these financial statements, at which point all activities will cease.

Business review

The results for the year and the financial position of the Company are shown in the financial statements and notes on pages 7 to 13. The Company's loss for the financial year amounted to £2,322,905 (2013: £10,757,326 profit).

Key performance indicators

Key performance indicators (KPIs) used within Equinix Inc. and its global group of companies are geared towards measuring the effectiveness and efficiency of operating companies, and as the Company is an intermediate holding company, it does not use KPIs.

Principal risks and uncertainties

The Company has interest-bearing assets, including intercompany loans, some of which earn interest at a fixed rate.

The company is exposed to foreign exchange risk as some intercompany balances are denominated in foreign currency. The company does not use derivative financial instruments to manage foreign exchange risk, and as such, no hedge accounting is applied. Foreign currency risk is managed at Corporate level by the group treasury function.

On behalf of the Board

Director: Eric Schwartz

Date: 29 September 2015

Directors' report for the year ended 31 December 2014

The directors present their report on Equinix Group Limited ("the Company") for the year ended 31 December 2014.

Dividends

The directors do not recommend the payment of a dividend (2013: nil) in respect of the ordinary share capital of the Company.

Basis other than going concern

The financial statements, which appear on pages 7 to 14, have been prepared on a basis other than going concern due to the proposed liquidation of the Company. No adjustments were required to be made in these financial statements as a result in the change in basis of preparation. Any costs incurred to liquidate the Company will be borne by fellow group undertakings.

Directors

The directors who held office throughout the year and up to the date of signing of these financial statements, (except as indicated), were as follows:

- Eric Schwartz
- Kathryn Herrick (resigned 1st May 2014)
- Cathryn Arnell

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Directors' report for the year ended 31 December 2014 (continued)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and each of the directors has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board

Director: Eric Schwartz

Date: 29 September 2015

Independent auditors' report to the members of Equinix Group Limited

Report on the financial statements

Our opinion

In our opinion Equinix Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. The directors intend to liquidate the entity during the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements.

What we have audited

The financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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Independent auditors' report to the members of Equinix Group Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing ("ISAs(UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Equinix Group Limited (continued)

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Hitesh Haria (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
29 September 2015

Profit and loss account

for the year ended 31 December 2014

	Note	2014 £	2013 £
Administrative expenses		**(3,444,796)**	(5,142)
Operating loss	2	**(3,444,796)**	(5,142)
Other operating income	4	**-**	9,314,954
Interest receivable and similar income	5	**1,121,216**	1,447,514
(Loss)/Profit on ordinary activities before taxation		**(2,323,580)**	10,757,326
Tax on (loss)/profit on ordinary activities	6	**675**	-
(Loss)/Profit for the financial year	11	**(2,322,905)**	10,757,326

All results are derived from discontinuing operations.

The notes on pages 9 to 14 form part of these financial statements.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains or losses has been presented.

There is no material difference in either year between the (loss)/ profit on ordinary activities before taxation and as reported above the (loss)/ profit for the financial year and their historical cost equivalents.

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Balance sheet

As at 31 December 2014

Company number 03796971

	Note	**2014** £	2013 £
Current assets			
Debtors	7	**82,659,441**	84,822,110
Cash at bank and in hand		**1,180,797**	1,089,342
		83,840,238	85,911,452
Creditors: amounts falling due within one year	8	**(26,943,040)**	(26,691,349)
Net current assets		**56,897,198**	59,220,103
Total assets less current liabilities		**56,897,198**	59,220,103
Net assets		**56,897,198**	59,220,103
Capital and reserves			
Called up share capital	10	**29,516,520**	29,516,520
Capital redemption reserve	11	**12,788,390**	12,788,390
Other reserves	11	**2,585,669**	2,585,669
Profit and loss account	11	**12,006,619**	14,329,524
Total shareholders' funds	11	**56,897,198**	59,220,103

The notes on pages 9 to 14 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on September 2015 and were signed on its behalf by:

Director: Eric Schwartz

Date:29 September 2015

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom.

As required by FRS 18.21, the directors have prepared the financial statements on the basis that the company is no longer a going concern, which reflects the directors' intention to liquidate the company in an orderly manner in due course. Adjustments to write down assets to their recoverable value, to reclassify fixed/non-current assets and long-term/non-current liabilities as current assets and current liabilities and to provide for liabilities arising as a result of the decision to liquidate the entity were not necessary in these financial statements. The principal accounting policies, which have been applied consistently prior to this, are set out below.

Cash flow

The Company has taken advantage of the exemption under Financial Reporting Standard 1 (revised 1996) from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements (note 13).

Related party transactions

The Company has taken advantage of the exemption from disclosing transactions with fellow group undertakings under paragraph 3(c) from the provision of Financial Reporting Standard 8, 'Related Party Disclosures', on the grounds that it is a wholly owned indirect subsidiary of Equinix Inc.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at closing rates of exchange except where rates are fixed under contractual arrangements. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Taxation

The charge or credit for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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1 Accounting policies (continued)

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Operating loss

Operating loss is stated after charging:

	2014	2013
	£	£
Foreign exchange (losses)/gains	**(3,417,937)**	24,485

Auditors' remuneration of £5,000 (2013: £5,000) for the audit of the Company was borne by Equinix (Services) Limited, which is a fellow group undertaking.

3 Staff costs

The Company did not employ any staff other than the directors during the year ended 31 December 2014 (2013: none). The directors did not receive any remuneration from the Company in the year (2013: £nil). The remuneration of the directors was borne by the Company directly employing each of the directors and was not apportioned to the Company.

One of the directors' of the Company was remunerated by Equinix (Services) Limited, another was remunerated by Equinix Inc., and the remaining director was remunerated by Equinix (EMEA) B.V.

4 Other operating income

On 28th June 2013 Equinix Europe Limited, the immediate parent undertaking, waived a loan balance of £9,973,877 owed to it by the Company, without penalty or alternative consideration. This waiver has been disclosed as other income in the profit and loss account offset by a provision against an intercompany balance of £658,923.

5 Interest receivable and similar income

	2014	2013
	£	£
Intercompany interest received	**1,121,216**	1,447,514

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6 Tax on profit/(loss) on ordinary activities

	2014	2013
	£	£
Current tax:		
UK corporation tax charge on loss for the financial year	**-**	-
Deferred tax:		
Origination and reversal of timing differences	**(675)**	-
Tax charge on ordinary activities	**(675)**	-

The tax assessed for the year is lower (2013: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2014 of 21.5% (2013: 23.25%). The differences are explained below:

	2014	2013
	£	£
(Loss)/profit on ordinary activities before taxation	**(2,323,580)**	10,757,326
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	**(499,570)**	2,501,078
Effects of:		
Transfer pricing compensating adjustment	**(48,159)**	(46,441)
Items not subject to UK corporation tax	**108**	(2,165,726)
Accelerated capital allowances and other timing differences	**(159)**	-
Group relief surrendered/ (received) for no consideration	**547,780**	(288,911)
Current tax charge for the year	**-**	-

The reduction in the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and 20% from 1 April 2015 were substantively enacted on 17 July 2013. Further changes to the UK Corporation tax rates were announced in the 2015 Summer Budget. These include further reductions to the main rate which reduce the rate to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. As these changes have not been substantively enacted in October 2015, closing deferred tax balances have been valued at 20%.

7 Debtors

	2014	2013
	£	£
Amounts owed by group undertakings	**82,633,516**	84,821,936
Other debtors	**25,250**	174
Deferred tax asset (note 9)	**675**	-
	82,659,441	84,822,110

The above amounts owed by group undertakings comprise £20,950,818 which does not bear interest, and £64,530,040 bearing interest. The interest bearing portion constitutes £16.4m (€20.9m) at a rate of Euribor plus 4%, with the balance of £48.1m at fixed rates between 0.5% - 1%. None of these amounts has a fixed date of repayment and all of them are repayable on demand.

8 Creditors: amounts falling due within one year

	2014	2013
	£	£
Amounts owed to group undertakings	**26,943,040**	26,690,599
Accruals and deferred income	-	750
	26,943,040	26,691,349

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9 Deferred tax asset

	2014	2013
	£	£
	Recognised	Recognised
Timing differences on fixed assets	**675**	-
Total deferred tax asset	**675**	-

	2014	2013
	£	£
Balance at 1 January	-	-
Deferred tax charge in the profit and loss account	**675**	-
Balance at 31 December	**675**	-

10 Called up share capital

	2014	2013	**2014**	2013
	Number	Number	**£**	£
Authorised				
Ordinary shares of 1 penny each	**2,951,651,988**	2,951,651,988	**29,516,520**	29,516,520

	2014	2013	**2014**	2013
	Number	Number	**£**	£
Allotted, called up and fully paid				
Ordinary shares of 1 penny each	**2,951,651,988**	2,951,651,988	**29,516,520**	29,516,520

11 Reserves

	Capital redemption reserve	**Other reserves**	**Profit and loss account**
	£	**£**	**£**
At 1 January 2014	12,788,390	2,585,669	14,329,524
Loss for the financial year	-	-	(2,322,905)
At 31 December 2014	**12,788,390**	**2,585,669**	**12,006,619**

12 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Opening shareholders' funds	**59,220,103**	48,462,777
Loss for the financial year	**(2,322,905)**	10,757,326
Closing shareholders' funds	**56,897,198**	59,220,103

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13 Immediate and ultimate parent undertakings

The immediate parent undertaking is Equinix Europe Limited. The ultimate parent undertaking and controlling party is Equinix Inc. a company incorporated in the United States of America.

Equinix Inc. is the parent undertaking of the largest and smallest groups in which the results of the Company are consolidated. Financial statements of Equinix Inc. are available from One Lagoon Drive, 4th Floor, Redwood City, CA 94065, USA.