

SAVVIS, Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenue	\$ 221,756	\$ 219,861	\$ 438,343	\$ 441,384
Operating Expenses:				
Cost of revenue (including non-cash, equity-based compensation of \$1,491, \$1,474, \$3,121 and \$2,957)	120,221	121,441	239,589	241,962
Sales, general and administrative expenses (including non-cash, equity-based compensation of \$5,054, \$6,311, \$11,877 and \$11,719)	56,877	51,084	108,596	100,153
Depreciation, amortization and accretion	42,089	37,799	82,826	74,134
Total Operating Expenses	<u>219,187</u>	<u>210,324</u>	<u>431,011</u>	<u>416,249</u>
Income from Continuing Operations	2,569	9,537	7,332	25,135
Other income and expense	15,487	14,955	31,244	29,381
Income (Loss) from Continuing Operations before Income Taxes	(12,918)	(5,418)	(23,912)	(4,246)
Income tax expense	224	756	579	1,311
Income (Loss) from Continuing Operations, net of Income Taxes	<u>(13,142)</u>	<u>(6,174)</u>	<u>(24,491)</u>	<u>(5,557)</u>
Income (loss) from discontinued operations, net of income taxes	(49)	-	(49)	-
Net Income (Loss)	<u>\$ (13,191)</u>	<u>\$ (6,174)</u>	<u>\$ (24,540)</u>	<u>\$ (5,557)</u>
Income (Loss) per Share from Continuing Operations				
Basic earnings per share	\$ (0.24)	\$ (0.12)	\$ (0.45)	\$ (0.10)
Diluted earnings per share	<u>\$ (0.24)</u>	<u>\$ (0.12)</u>	<u>\$ (0.45)</u>	<u>\$ (0.10)</u>
Weighted-Average Common Shares Outstanding				
Basic	55,005	53,664	54,775	53,650
Diluted	<u>55,005</u>	<u>53,664</u>	<u>54,775</u>	<u>53,650</u>

SAVVIS, Inc. and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets
(in thousands)

	June 30, 2010	December 31, 2009
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 118,729	\$ 160,815
Trade accounts receivable, net	59,517	45,754
Prepaid expenses and other current assets	40,741	21,217
Total Current Assets	218,987	227,786
Property and equipment, net	834,316	783,852
Goodwill and intangibles	95,336	-
Other non-current assets	20,102	13,120
Total Assets	\$ 1,168,741	\$ 1,024,758
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Payables and other trade accruals	\$ 76,972	\$ 52,710
Current portion of long-term debt and lease obligations	21,506	17,479
Other accrued liabilities	75,562	68,314
Total Current Liabilities	174,040	138,503
Long-term debt, net of current portion	486,873	376,089
Capital and financing method lease obligations, net of current portion	225,927	223,897
Other accrued liabilities	77,358	76,452
Total Liabilities	964,198	814,941
Stockholders' Equity:		
Common stock	551	545
Additional paid-in capital	884,354	862,834
Accumulated deficit	(658,969)	(634,429)
Accumulated other comprehensive loss	(21,393)	(19,133)
Total Stockholders' Equity	204,543	209,817
Total Liabilities and Stockholders' Equity	\$ 1,168,741	\$ 1,024,758

SAVVIS, Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Cash Flows from Operating Activities:				
Net income (loss)	\$ (13,191)	\$ (6,174)	\$ (24,540)	\$ (5,557)
(Income) loss from discontinued operations, net of income taxes	(49)	-	(49)	-
Income (loss) from continuing operations, net of income taxes	(13,142)	(6,174)	(24,491)	(5,557)
Reconciliation of net income (loss) from continuing operations to net cash provided by operating activities:				
Depreciation, amortization and accretion	42,089	37,799	82,826	74,134
Non-cash, equity-based compensation	6,545	7,785	14,998	14,676
Accrued interest, net	(1,948)	(1,293)	1,338	2,264
Amortization of debt discount	3,845	3,542	7,612	7,013
Other, net	261	(595)	593	(542)
Net changes in operating assets and liabilities:				
Trade accounts receivable, net	(2,843)	3,261	(9,424)	5,464
Prepaid expenses and other current and non-current assets	(15,192)	(3,268)	(21,764)	(2,277)
Payables and other trade accruals	1,794	(3,018)	9,249	(2,991)
Other accrued liabilities	10,910	357	10,354	(8,138)
Net cash provided by continuing operations	32,319	38,396	71,291	84,046
Net cash provided by discontinued operations	1	-	1	-
Net cash provided by operating activities	32,320	38,396	71,292	84,046
Cash Flows from Investing Activities:				
Payments for capital expenditures	(51,476)	(27,224)	(102,167)	(45,476)
Acquisition of business, net of cash acquired	(112,537)	-	(112,537)	-
Net cash used in investing activities	(164,013)	(27,224)	(214,704)	(45,476)
Cash Flows from Financing Activities:				
Proceeds from long-term debt	110,000	799	110,000	2,865
Payments for debt issuance costs	(2,550)	-	(2,550)	-
Proceeds from stock option exercises	2,683	38	9,331	42
Payments for employee taxes on equity-based instruments	(2)	-	(2,814)	(444)
Principal payments on long-term debt	(1,650)	(1,650)	(3,300)	(3,300)
Principal payments under capital lease obligations	(2,651)	(2,208)	(5,189)	(4,158)
Other, net	(586)	-	(1,198)	-
Net cash provided by (used in) financing activities	105,244	(3,021)	104,280	(4,995)
Effect of exchange rate changes on cash and cash equivalents	(750)	935	(2,954)	89
Net Increase (Decrease) in Cash and Cash Equivalents	(27,199)	9,086	(42,086)	33,664
Cash and Cash Equivalents, Beginning of Period	145,928	145,862	160,815	121,284
Cash and Cash Equivalents, End of Period	<u>\$ 118,729</u>	<u>\$ 154,948</u>	<u>\$ 118,729</u>	<u>\$ 154,948</u>
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	\$ 12,953	\$ 12,613	\$ 20,786	\$ 20,101

SAVVIS, Inc. and Subsidiaries
Unaudited Selected Condensed Consolidated Financial Information
(in thousands)

	Three Months Ended		
	June 30,		March 31,
	2010	2009	2010
Segment Revenue:			
Hosting	\$ 158,179	\$ 152,159	\$ 152,751
Network	63,577	67,702	63,836
Total Revenue	<u>\$ 221,756</u>	<u>\$ 219,861</u>	<u>\$ 216,587</u>
Segment Adjusted EBITDA:			
Hosting	\$ 59,280	\$ 60,221	\$ 58,960
Network	16,589	16,804	16,265
Corporate - Other ⁽¹⁾	(21,153)	(21,904)	(21,272)
Total Adjusted EBITDA ⁽²⁾	<u>\$ 54,716</u>	<u>\$ 55,121</u>	<u>\$ 53,953</u>
Adjusted EBITDA Reconciliation:			
Income from continuing operations	\$ 2,569	\$ 9,537	\$ 4,763
Depreciation, amortization and accretion	42,089	37,799	40,737
Non-cash, equity-based compensation	6,545	7,785	8,453
Acquisition and integration costs	3,513	-	-
Adjusted EBITDA	<u>\$ 54,716</u>	<u>\$ 55,121</u>	<u>\$ 53,953</u>
Reconciliation of Adjusted EBITDA to Income (Loss) from Continuing Operations before Income Taxes:			
Adjusted EBITDA	\$ 54,716	\$ 55,121	\$ 53,953
Depreciation, amortization and accretion	(42,089)	(37,799)	(40,737)
Non-cash, equity-based compensation	(6,545)	(7,785)	(8,453)
Acquisition and integration costs	(3,513)	-	-
Interest income	20	44	30
Interest expense	(15,573)	(14,661)	(15,475)
Other income (expense)	66	(338)	(312)
Income (Loss) from Continuing Operations before Income Taxes	<u>\$ (12,918)</u>	<u>\$ (5,418)</u>	<u>\$ (10,994)</u>
Leveraged Free Cash Flow Reconciliation:			
Adjusted EBITDA	\$ 54,716	\$ 55,121	\$ 53,953
Acquisition and integration costs	(3,513)	-	-
Cash capital expenditures	(51,476)	(27,224)	(50,691)
Cash interest paid	(12,953)	(12,613)	(7,832)
Interest income	20	44	30
Leveraged Free Cash Flow ⁽³⁾	<u>\$ (13,206)</u>	<u>\$ 15,328</u>	<u>\$ (4,540)</u>

(1) Corporate - Other adjusted EBITDA includes all costs not directly associated with hosting services or network services. Costs not directly associated with hosting services or network services include, but are not limited to, general and administrative costs.

(2) Adjusted EBITDA represents income from continuing operations before depreciation, amortization, accretion and non-cash, equity-based compensation and excludes acquisition and integration costs. We have included information concerning adjusted EBITDA because we believe that in our industry such information is a relevant measurement of a company's operating financial performance and liquidity. The calculation of adjusted EBITDA is not specified by United States generally accepted accounting principles. Our calculation of adjusted EBITDA may not be comparable to similarly titled measures of other companies.

(3) Leveraged Free Cash Flow represents adjusted EBITDA less cash paid acquisition and integration costs, less cash capital expenditures and less cash interest, net. We have included information concerning leveraged free cash flow because we believe that in our industry such information is a relevant measurement of a company's operating financial performance and liquidity.

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	June 30, 2010	
Revenue	\$ 221,756	\$ 438,343
Operating Expenses:		
Cost of revenue (including non-cash, equity-based compensation of \$1,491, \$1,474, \$3,121 and \$2,957)	120,221	239,589
Sales, general and administrative expenses (including non-cash, equity-based compensation of \$5,054, \$6,311, \$11,877 and \$11,719)	56,877	108,596
Depreciation, amortization and accretion	42,089	82,826
Total Operating Expenses	219,187	431,011
Income from Continuing Operations	2,569	7,332
Other income and expense	15,487	31,244
Income (Loss) from Continuing Operations before Income Taxes	(12,918)	(23,912)
Income tax expense	224	579
Income (Loss) from Continuing Operations, net of Income Taxes	(13,142)	(24,491)
Income (loss) from discontinued operations, net of income taxes	(49)	(49)
Net Income (Loss)	\$ (13,191)	\$ (24,540)
 Adjusted EBITDA	 \$ 54,716	 \$ 108,669
<i>As a percentage of revenue</i>	25%	25%
Acquisition and integration costs	3,513	3,513
 Adjusted EBITDA including acquisition and integration costs	 \$ 51,203	 \$ 105,156
<i>As a percentage of revenue</i>	23%	24%

SAVVIS, Inc. and Subsidiaries
Unaudited Supplemental Revenue Information
(in thousands, except per square foot amounts)

	Three Months Ended				
	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010
Data Center Revenue					
Colocation	\$ 84,856	\$ 85,341	\$ 86,892	\$ 82,467	\$ 84,281
Managed hosting	67,303	62,814	67,772	70,284	73,898
Data Center Metrics ⁽¹⁾					
Total raised floor	1,433	1,433	1,433	1,477	1,477
Revenue space	923	886	878	889	885
Billed square feet	622	640	591	601	622
Utilization	67%	72%	67%	68%	70%
Average Billed Square Feet					
Colocation	595.4	608.6	592.3	572.1	586.6
Managed hosting	21.4	22.2	22.9	23.8	25.1
Total Average Billed Square Feet	<u>616.8</u>	<u>630.8</u>	<u>615.2</u>	<u>595.9</u>	<u>611.7</u>
Average Monthly Data Center Revenue Per Billed Square Foot ⁽²⁾					
Colocation	\$ 47.5	\$ 46.7	\$ 48.9	\$ 48.1	\$ 47.5
Managed hosting	1,046.4	945.1	985.4	984.5	974.4

(1) Data center metrics are calculated as of period end for each respective quarter.

(2) Average monthly data center revenue per billed square foot is calculated as the revenue per quarter divided by the average billed square feet per quarter stated on a monthly basis.

SAVVIS Revenue by Vertical

	Three Months Ended				
	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010
Financial vertical	\$ 60,065	\$ 53,974	\$ 57,742	\$ 55,532	\$ 60,417
Other	159,796	159,237	162,077	161,055	161,339
Total Revenue	<u>\$ 219,861</u>	<u>\$ 213,211</u>	<u>\$ 219,819</u>	<u>\$ 216,587</u>	<u>\$ 221,756</u>

Network Revenue Supplemental Information:

	Three Months Ended				
	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010
Core ⁽¹⁾	\$ 26,918	\$ 28,616	\$ 31,483	\$ 31,670	\$ 33,459
Sustaining ⁽²⁾	40,784	36,440	33,672	32,166	30,118
Total Network Revenue	<u>\$ 67,702</u>	<u>\$ 65,056</u>	<u>\$ 65,155</u>	<u>\$ 63,836</u>	<u>\$ 63,577</u>

(1) Core network includes revenue from Thomson Reuters and from other financial vertical and data center customers, who also purchase bundled network and hosting services.

(2) Sustaining network includes revenue from services that are either in slower growth or declining markets or are not directly tied to the future growth of the company's network and hosting businesses.