

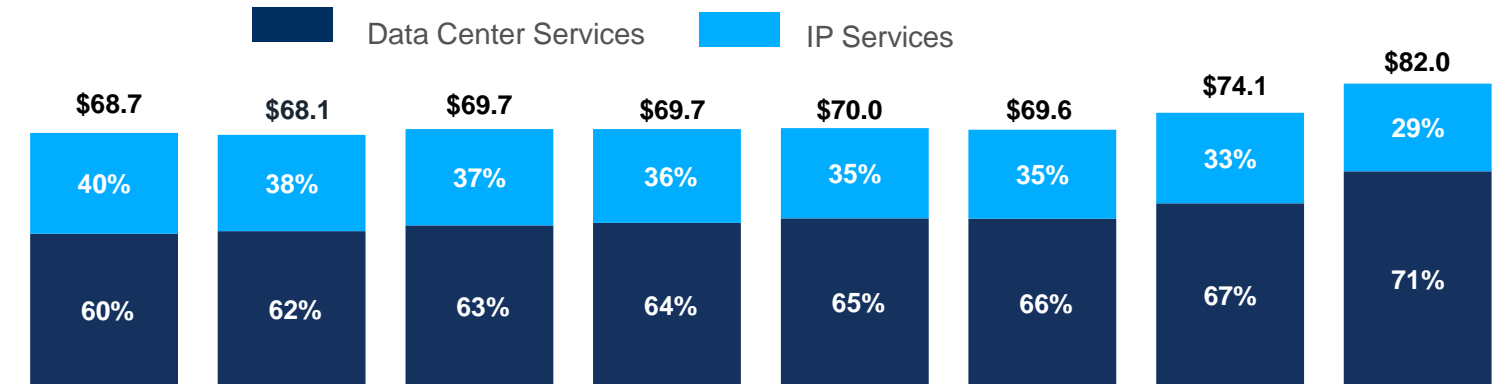
# First Quarter 2014 Earnings Conference Call

April 24, 2014



This presentation contains forward-looking statements, including our expectations related to acceleration of profitable growth. Because such statements are not guarantees of future performance and involve risks and uncertainties, there are important factors that could cause Internap's actual results to differ materially from those in the forward-looking statements. These include statements related to our expectations regarding performance of our IT infrastructure services and the benefits we expect our customers to receive from them, our ability to execute our strategy, deliver growth and generate cash, our ability to leverage data center expansions and continue to build positive operating leverage in the business model and ability to sell into available data center capacity. Internap discusses these factors in its filings with the Securities and Exchange Commission. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of future results. Internap undertakes no obligation to update, amend, or clarify any forward-looking statement for any reason.

## Revenue



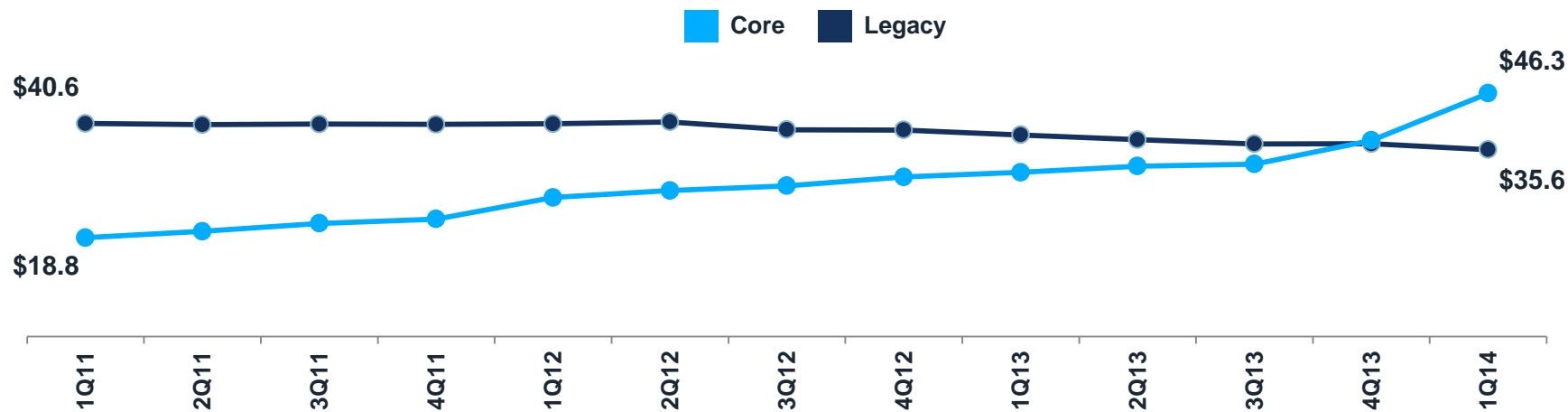
### Revenue Churn

	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Data Center	1.0%	1.2%	1.0%	1.6%	0.8%	1.5%	2.1%	1.8%
IP Revenue Churn	1.7%	1.4%	2.3%	1.4%	1.9%	1.8%	1.6%	1.2%
Total Revenue Churn	1.2%	1.3%	1.5%	1.5%	1.2%	1.6%	1.9%	1.6%

## Data Center Services Drive Top Line Growth

- Consolidated revenue increased 18% Y/Y and 11% Q/Q
- Data center services revenue increased 31% Y/Y and 17% Q/Q
- IP services revenue decreased 6% Y/Y and 3% Q/Q
- Strategic mix shift to data center services → 71% of consolidated revenue

## Favorable Revenue Mix

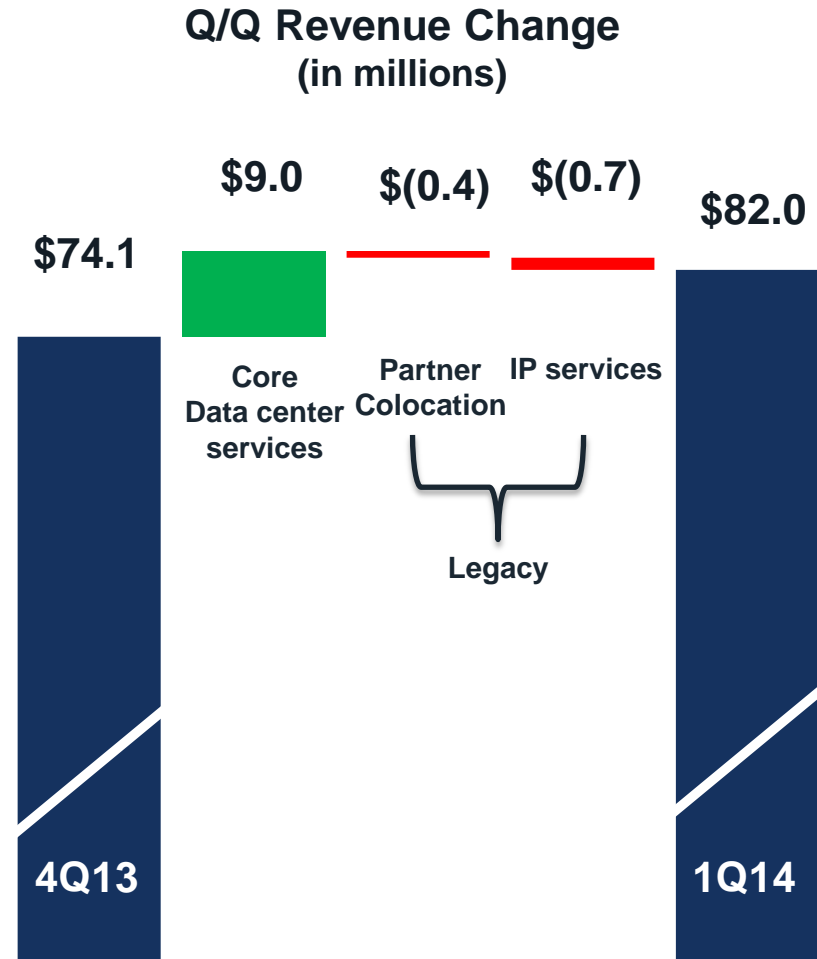


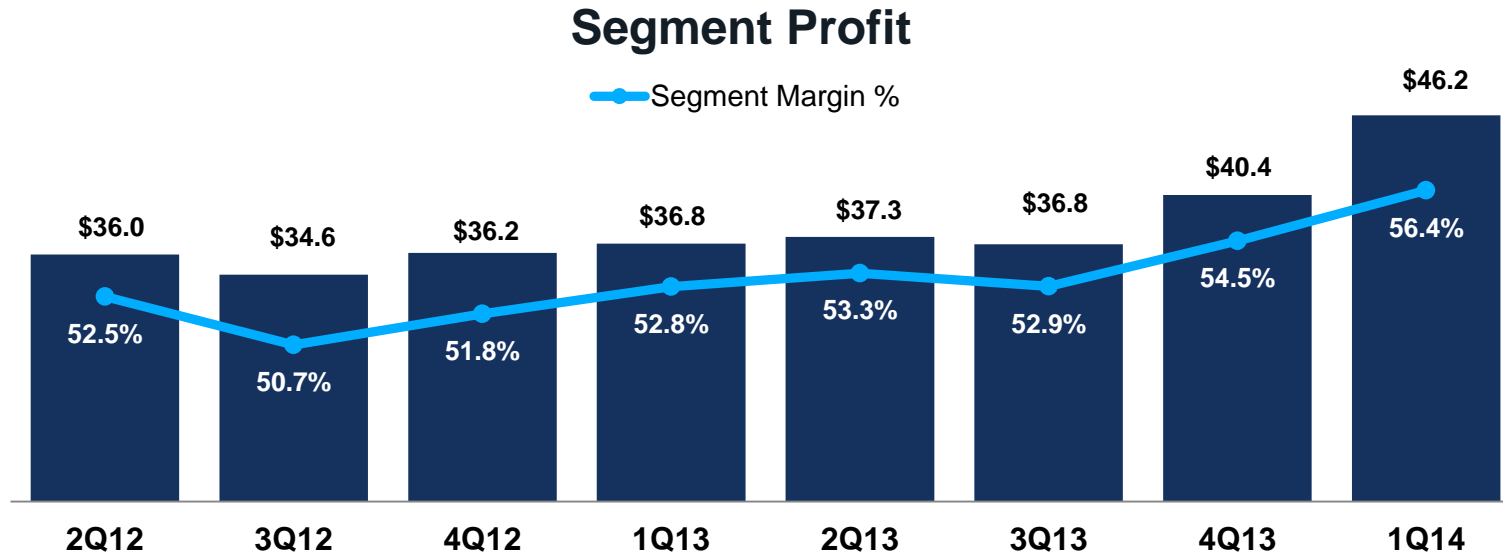
## “Core” Data Center Services Cross Tipping Point

- 1Q14 core revenue increased 48% Y/Y and 24% Q/Q
- 1Q14 core revenue represents 80% of data center services revenue and 57% of consolidated revenue
- 1Q14 ‘organic’ (excluding iWeb) core revenue annualized sequential growth 16%
- 35% 3-Year CAGR on core data center services thru 1Q14

\$ in millions. Core data center services defined as company-controlled colocation, hosting, cloud services and iWeb. Legacy revenue defined as IP services and partner colocation data center services. CAGR is compound annual growth rate.

- Core Data center services underpins growth
- Lower transit sales and the loss of legacy contracts weigh on IP services revenue



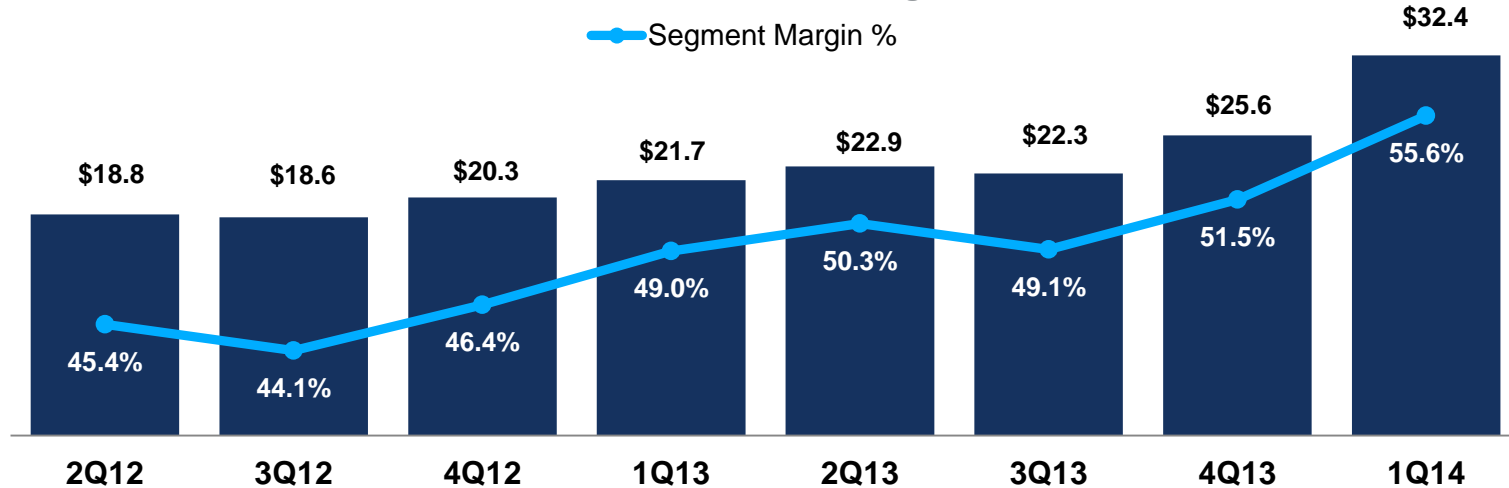


## Strong Segment Profit and Segment Margin Results

- Segment profit increased 25% Y/Y and 14% Q/Q
- Segment margin expanded 360 bps Y/Y and 190 bps Q/Q
- iWeb integration on-track → accretive to segment margin

\$ in millions. Segment profit and segment margin are non-GAAP measures. Segment profit is segment revenues less direct costs of network, sales and services, exclusive of depreciation and amortization. Segment profit does not include direct costs of customer support, direct costs of amortization of acquired technologies or any other depreciation or amortization associated with direct costs. Segment margin is segment profit as a percentage of segment revenues. A presentation of segment profit and segment margin can be found in the attachment to our first quarter 2014 earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.

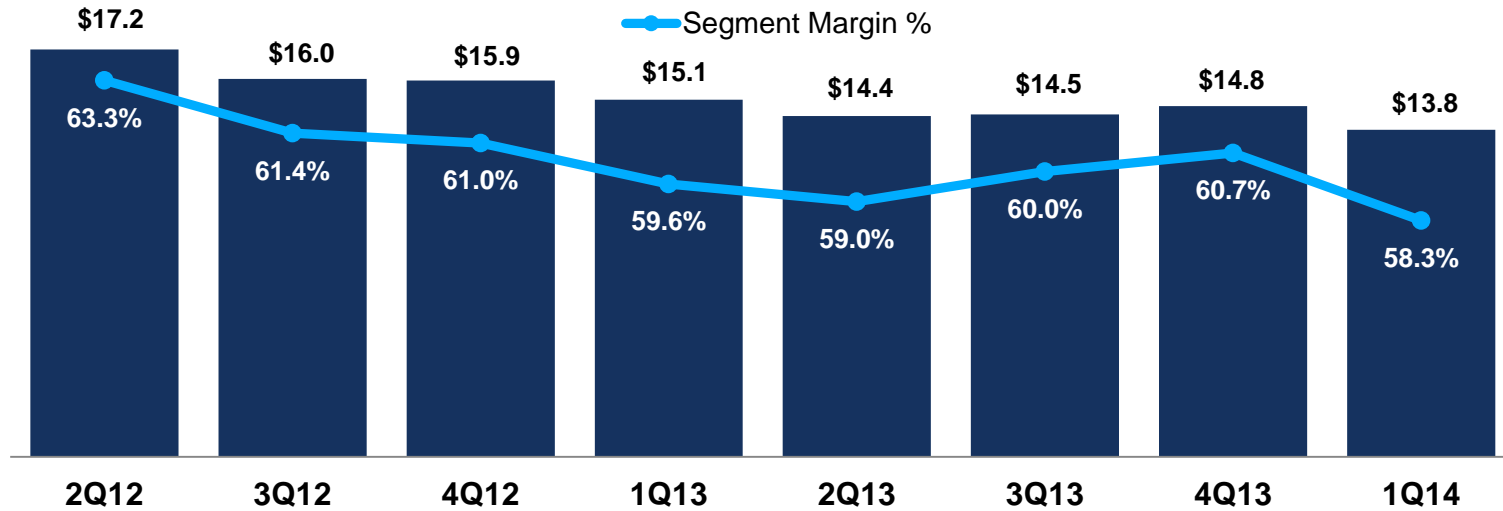
## Data Center Services Segment Profit



### Core Data Center Services Engine for Profitable Growth

- Data center segment profit increased 49% Y/Y and 27% Q/Q
- Data center segment margin expanded 660 basis points Y/Y and 410 basis points Q/Q

## IP Services Segment Profit

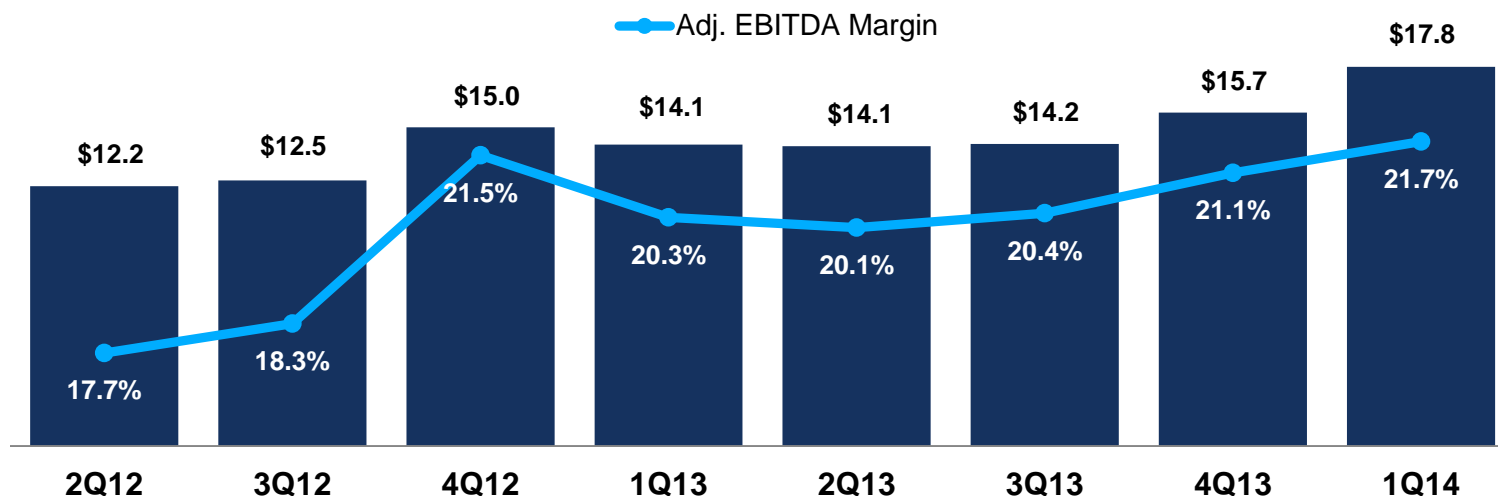


## Solid Profitability and Cash Generation

- IP segment profit decreased 9% Y/Y and 7% Q/Q
- Central to competitive differentiation of high-performance, hybridized IT infrastructure service offerings



## Adjusted EBITDA



## Solid Adjusted EBITDA Results

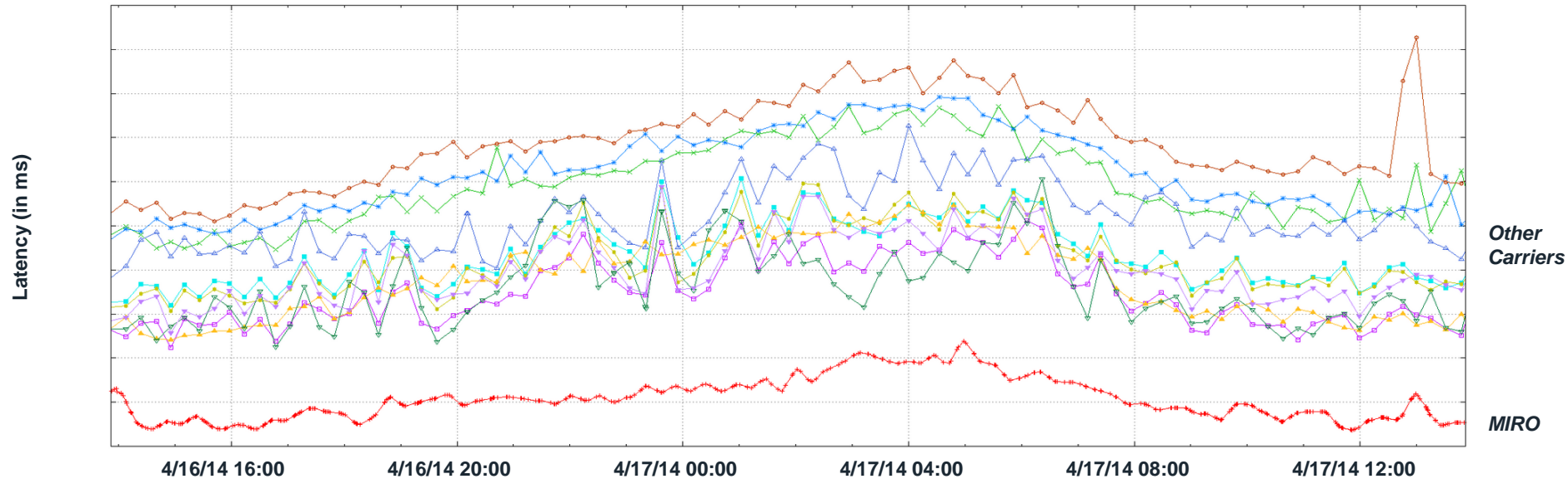
- Adjusted EBITDA increased 26% Y/Y and 14% Q/Q
- Adjusted EBITDA margin expanded 140 bps Y/Y and 60 bps Q/Q
- Tight operational controls and positive operating leverage support margin expansion

\$ in millions. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Adjusted EBITDA is (loss) income from operations plus depreciation and amortization, (loss) gain on disposals of property and equipment, exit activities, restructuring and impairments, stock-based compensation and acquisition costs. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of revenues. A reconciliation of Adjusted EBITDA to GAAP (loss) income from operations can be found in the attachment to our first quarter 2014 earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.

# Product Enhancements: Deliver Consistent High-Performance for Cloud, Hosting & Colo



## MIRO Consistently Reduces Latency\*



## Next Generation MIRO Delivers Performance Without Compromise









- Applications and content perform better on Internap's cloud, hosting and colocation services
- Delivers traffic 2x as fast with 4x less variability
- Sends traffic over the best-performing path >99%

\*Graph shows data captured at Internap's New York (NYM) PNAP which is our largest PNAP location.

Feature	Mass Market Virtual Public Clouds	Bare-Metal Public Cloud
On-demand, programmatic deployment		
Hourly/granular billing		
Remote network access		
Dynamic assignment and reassignment of resources		
Dedicated Processors, RAM, Disk, Ports		
Ability to deploy without a hypervisor		

**Dedicated resources for data-intensive applications**

# Bare-Metal Addresses Many Data-Intensive Use Cases Better

Application	Sample Infrastructure Requirements	Customer Example
 <b>Online Gaming</b>	<p><b>High-throughput</b> internal and public networking for real-time massively multiplayer online games</p> <p><b>Dynamically scalable</b> game and log-in servers for game demand uncertainty</p>	
 <b>Real-Time Customer Analytics</b>	<p>Local disks with <b>high memory</b> for read/write intensive databases</p> <p><b>Horizontally-scalable</b> web servers to capture real-time cookie data from internet users</p>	
 <b>Mobile advertising placement and utilities</b>	<p>Physical proximity and <b>high-capacity ports</b> and direct interconnection for delivery of ads/content and bidding</p>	
 <b>Online learning</b>	<p><b>Low latency</b> for on-demand content</p> <p><b>Local disks</b> with high memory for read/write intensive databases</p> <p><b>Scalable storage and network</b> capacity</p>	



the world's leading provider of ecommerce and retail software solutions for the travel industry

## Customer Need and Context

Secure, dedicated infrastructure to host a comprehensive retail, ecommerce and fare merchandising platform

Scalable, hybrid environment to meet a full range of application requirements and support long-term growth

Low latency and high performance networking to process billions of real-time guest transactions

## Internap Solution



Hosting



Object Storage



Private Cloud



Colocation



IP & CDN

Private, dedicated firewalls, servers, storage and network appliances

Single-pane-of-glass customer portal

Performance IP™ results in lower latency with built-in redundancy

## Income Statement Summary

	1Q14	4Q13	1Q13
<b>Total Revenue</b>	<b>\$82.0</b>	\$74.1	\$69.7
<b>Total Segment Profit</b>	<b>\$46.2</b>	\$40.4	\$36.8
<i>Total Segment Margin %</i>	<b>56.4%</b>	54.5%	52.8%
<b>Cash Operating Expense</b>	<b>\$28.4</b>	\$24.7	\$22.7
<i>Cash Opex %</i>	<b>34.7%</b>	33.4%	32.5%
<b>Adj. EBITDA</b>	<b>\$17.8</b>	\$15.7	\$14.1
<i>Adj. EBITDA %</i>	<b>21.7%</b>	21.1%	20.3%
<b>GAAP Net Loss</b>	<b>\$(10.7)</b>	\$(10.4)	\$(1.6)
<i>Loss per fully-diluted share</i>	<b>\$(0.21)</b>	\$(0.21)	\$(0.03)
<b>Normalized Net (Loss) Income</b>	<b>\$(7.3)</b>	\$(4.4)	\$0.2
<i>(Loss) Income per fully-diluted share</i>	<b>\$(0.14)</b>	\$(0.09)	\$0.00

\$ in millions. Cash Operating Expense and Normalized Net (Loss) Income are non-GAAP measures. Cash operating expense is GAAP operating expense less direct cost of network and sales, depreciation and amortization, restructuring and impairments, stock-based compensation and acquisition costs. Normalized Net (Loss) Income is net loss plus exit activities, restructuring and impairments, stock-based compensation and acquisition costs. A reconciliation to GAAP total operating costs and expenses can be found in the attachment to our first quarter 2014 earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.

## Cash Flow Summary

	1Q14	4Q13	1Q13
<b>Adj. EBITDA</b>	<b>\$17.8</b>	\$15.7	\$14.1
Less: Capital Expenditures	25.5	28.5	6.9
Less: Capital Lease Payments	1.4	1.2	1.1
<b>Adj. Cash Flow</b>	<b>\$(9.1)</b>	\$(14.0)	\$6.1

## Balance Sheet Summary

	1Q14	4Q13	1Q13
<b>Cash &amp; Cash Equivalents</b>	<b>\$25.2</b>	\$35.0	\$ 34.6
Less: Debt (net of discount)	290.2	290.6	104.6
Less: Capital Leases	61.4	55.3	57.1
<b>Equals: Net (Debt) Cash</b>	<b>\$(326.4)</b>	\$(310.9)	\$(127.1)
<i>Net Debt to Adj. EBITDA (LQA)*</i>	<b>4.6x</b>	5.0x	2.2x

## Strength in Data Center Services

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### Results:

- **Solid start to 2014**
  - 40% Y/Y organic bookings growth
  - 18% Y/Y revenue growth underpinned by organic core data center services and iWeb
  - Data center segment profit increased 49% Y/Y and data center segment margin expanded 660 bps Y/Y
  - Demonstrated positive operating leverage → 18% revenue growth delivers 26% adj. EBITDA growth
- **Accelerate profitable growth:**
  - Momentum builds around INAP competitive differentiation
  - Performance-based product launches