

Akamai Technologies Inc.
Reconciliation of non-GAAP to GAAP financial measures
December 31, 2007

The company has historically provided financial metrics, some of which are based on GAAP and others that are not prepared in accordance with GAAP (non-GAAP). Legislative and regulatory changes encourage the use of GAAP financial metrics and require companies to explain why non-GAAP financial metrics are relevant to management and investors.

Adjusted EBITDA – defined as net income before interest, income taxes, depreciation and amortization of tangible and intangible assets, amortization of capitalized stock-related compensation, stock-related compensation expense, utilization of tax NOLs/credits, loss on early extinguishment of debt, restructuring charges and benefits, certain gains and losses on equity investments, foreign exchange gains and losses, release of the deferred tax asset valuation allowance, and gains on legal settlements

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
Net income	\$ 35,878	\$ 24,264	\$ 20,623	\$ 14,019	\$ 100,967	\$ 57,401
Interest income, net	(6,841)	(5,913)	(4,567)	(3,970)	(22,729)	(14,532)
Provision for income taxes	1,164	859	782	110	3,369	2,048
Depreciation and amortization	16,688	15,870	9,619	8,450	58,651	31,802
Amortization of capitalized stock-related compensation	703	537	136	129	1,829	298
Amortization of intangible assets	2,835	2,835	2,047	1,943	11,414	8,484
Stock-related compensation	15,608	16,909	14,792	14,514	66,555	49,568
Utilization of tax NOLs/credits	20,898	17,833	9,924	11,154	63,869	39,020
Loss on early extinguishment of debt	-	2	-	-	3	-
Restructuring benefits	-	-	-	-	(178)	-
Gain on investments, net	(23)	(1)	(2)	-	(24)	(261)
Other (income) expense, net	(30)	(1,273)	(357)	448	(527)	(570)
Adjusted EBITDA	<u>\$ 86,880</u>	<u>\$ 71,922</u>	<u>\$ 52,997</u>	<u>\$ 46,797</u>	<u>\$ 283,199</u>	<u>\$ 173,258</u>

Adjusted EBITDA margin – defined as Adjusted EBITDA as a percentage of revenues

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
Revenues	\$ 183,238	\$ 161,240	\$ 125,703	\$ 111,495	\$ 636,406	\$ 428,672
Adjusted EBITDA	86,880	71,922	52,997	46,797	283,199	173,258
Adjusted EBITDA margin	<u>47%</u>	<u>45%</u>	<u>42%</u>	<u>42%</u>	<u>44%</u>	<u>40%</u>

Normalized net income – defined as net income before amortization of intangible assets, stock-related compensation expense, loss on early extinguishment of debt, amortization of capitalized stock-related compensation, restructuring charges and benefits, utilization of tax NOLs/credits, certain gains and losses on equity investments, and release of the deferred tax asset valuation allowance

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Restructuring benefits	-	-	-	-	(178)	-
Utilization of tax NOLs/credits	20,898	17,833	9,924	11,154	63,869	39,020
Gain on investments, net	(23)	(1)	(2)	-	(24)	(261)
Normalized net income	<u>\$ 75,899</u>	<u>\$ 62,379</u>	<u>\$ 47,520</u>	<u>\$ 41,759</u>	<u>\$ 244,435</u>	<u>\$ 154,510</u>

Normalized net income per share – defined as normalized net income, plus interest add-back for diluted share calculation, divided by the basic weighted average or diluted common shares outstanding used in normalized per share calculations

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
Normalized net income	\$ 75,899	\$ 62,379	\$ 47,520	\$ 41,759	\$ 244,435	\$ 154,510
Interest add-back for diluted share calculation	710	710	710	710	2,840	2,841
Normalized net income for diluted earnings per share	\$ 76,609	\$ 63,089	\$ 48,230	\$ 42,469	\$ 247,275	\$ 157,351
Normalized net income per share:						
Basic	\$ 0.46	\$ 0.38	\$ 0.30	\$ 0.27	\$ 1.50	\$ 0.99
Diluted	\$ 0.41	\$ 0.34	\$ 0.27	\$ 0.24	\$ 1.32	\$ 0.88
Shares used in normalized net income per share calculations:						
Basic	164,768	165,474	157,206	155,739	162,959	155,366
Diluted	186,674	186,767	181,332	179,563	186,709	179,470

Diluted shares used in normalized net income per share calculation – defined as diluted common shares outstanding used in GAAP net income per share calculation, excluding the effect of FAS123R under the treasury stock method in normalized net income per share calculation

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
Diluted common shares outstanding used in GAAP net income per share calculation	185,294	185,106	179,064	177,063	185,094	176,767
Excluding: the effect of FAS123R under the treasury stock method	1,380	1,661	2,268	2,500	1,615	2,703
Diluted common shares outstanding used in normalized net income per share calculation	186,674	186,767	181,332	179,563	186,709	179,470

Cash operating expenses – defined as GAAP operating expenses (consisting of Research and Development, Sales and Marketing, General and Administrative expenses and Restructuring benefit), excluding stock-related compensation, amortization of intangible assets and depreciation and amortization

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
GAAP operating expenses	\$ 82,798	\$ 81,658	\$ 70,695	\$ 64,750	\$ 324,034	\$ 251,466
Less: stock-related compensation	(14,741)	(16,013)	(14,155)	(13,997)	(63,206)	(47,608)
Less: amortization of intangible assets	(2,835)	(2,835)	(2,047)	(1,943)	(11,414)	(8,484)
Less: depreciation and amortization	(2,439)	(2,279)	(1,487)	(1,306)	(8,356)	(4,992)
Cash operating expenses	\$ 62,783	\$ 60,531	\$ 53,006	\$ 47,504	\$ 241,058	\$ 190,382

Cash operating expenses margin – defined as cash operating expenses as a percentage of revenues

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
Revenues	\$ 183,238	\$ 161,240	\$ 125,703	\$ 111,495	\$ 636,406	\$ 428,672
Cash operating expenses	62,783	60,531	53,006	47,504	241,058	190,382
Cash operating expenses margin	34%	38%	42%	43%	38%	44%

Cost of revenues per Normalized used in cash gross margin calculation – defined as GAAP cost of revenues, excluding stock-related compensation and depreciation and amortization

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
Cost of revenues per GAAP	\$ 49,394	\$ 43,811	\$ 28,605	\$ 24,984	\$ 167,444	\$ 94,100
Less: stock-related compensation	(867)	(896)	(637)	(517)	(3,349)	(1,960)
Less: depreciation and amortization	(14,952)	(14,128)	(8,268)	(7,273)	(52,124)	(27,108)
Cost of revenues per Normalized	\$ 33,575	\$ 28,787	\$ 19,700	\$ 17,194	\$ 111,971	\$ 65,032

Cash gross margin – defined as revenues, less cost of revenues per normalized, as a percentage of revenues

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
Revenues	\$ 183,238	\$ 161,240	\$ 125,703	\$ 111,495	\$ 636,406	\$ 428,672
Cost of revenues per Normalized	33,575	28,787	19,700	17,194	111,971	65,032
Cash gross margin	82%	82%	84%	85%	82%	85%

Capital expenditures or Capex – defined as purchases of property and equipment, capitalization of internal-use software development costs and capitalization of stock-related compensation

	Three months ended				Twelve months ended	
	December 31, 2007	September 30, 2007	December 31, 2006	September 30, 2006	December 31, 2007	December 31, 2006
Purchases of property and equipment and capitalization of internal-use software development costs	\$ 15,916	\$ 23,326	\$ 22,476	\$ 16,451	\$ 100,477	\$ 69,328
Capitalization of stock-related compensation	1,991	1,551	1,471	1,058	6,353	4,293
Capital Expenditures or Capex	\$ 17,907	\$ 24,877	\$ 23,947	\$ 17,509	\$ 106,830	\$ 73,621