

Akamai Technologies Inc.
Reconciliation of non-GAAP to GAAP financial measures
September 30, 2008

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-based compensation, stock-based compensation expense, utilization of tax NOLs/credits, loss on early extinguishment of debt, certain gains and losses on investments, foreign exchange gains and losses, restructuring charges and benefits, release of the deferred tax asset valuation allowance, and gains on legal settlements

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Net income	\$ 33,360	\$ 34,334	\$ 24,264	\$ 104,605	\$ 65,089
Interest income, net	(4,994)	(4,780)	(5,913)	(17,105)	(15,888)
Provision for income taxes	1,124	1,120	859	3,471	2,205
Depreciation and amortization	20,279	18,906	15,870	57,381	41,963
Amortization of capitalized stock-based compensation	1,118	1,014	537	2,993	1,126
Amortization of other intangible assets	3,173	3,491	2,835	10,254	8,579
Stock-based compensation	14,122	16,997	16,909	42,370	50,947
Utilization of tax NOLs/credits	22,434	20,735	17,833	66,386	42,971
Loss on early extinguishment of debt	-	-	2	-	3
Restructuring benefits	-	-	-	-	(178)
Gain on investments, net	(1)	(64)	(1)	(273)	(1)
Other (income) expense, net	(154)	970	(1,273)	340	(497)
Adjusted EBITDA	<u>\$ 90,461</u>	<u>\$ 92,723</u>	<u>\$ 71,922</u>	<u>\$ 270,422</u>	<u>\$ 196,319</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Revenues	\$ 197,347	\$ 194,004	\$ 161,240	\$ 578,370	\$ 453,168
Adjusted EBITDA	<u>90,461</u>	<u>92,723</u>	<u>71,922</u>	<u>270,422</u>	<u>196,319</u>
Adjusted EBITDA margin	<u>46%</u>	<u>48%</u>	<u>45%</u>	<u>47%</u>	<u>43%</u>

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

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Restructuring benefits	-	-	-	-	(178)
Utilization of tax NOLs/credits	22,434	20,735	17,833	66,386	42,971
Gain on investments, net	(1)	(64)	(1)	(273)	(1)
Normalized net income	<u>\$ 74,206</u>	<u>\$ 76,507</u>	<u>\$ 62,379</u>	<u>\$ 226,335</u>	<u>\$ 168,536</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 net income per share calculations

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Normalized net income	\$ 74,206	\$ 76,507	\$ 62,379	\$ 226,335	\$ 168,536
Interest add-back for diluted share calculation	696	696	710	2,087	2,130
Normalized net income for diluted earnings per share	\$ 74,902	\$ 77,203	\$ 63,089	\$ 228,422	\$ 170,666
Normalized net income per share:					
Basic	<u>\$ 0.44</u>	<u>\$ 0.46</u>	<u>\$ 0.38</u>	<u>\$ 1.35</u>	<u>\$ 1.03</u>
Diluted	<u>\$ 0.40</u>	<u>\$ 0.41</u>	<u>\$ 0.34</u>	<u>\$ 1.21</u>	<u>\$ 0.91</u>
Shares used in normalized net income per share calculations:					
Basic	168,474	167,417	165,474	167,283	163,947
Diluted	188,349	188,970	186,767	189,135	187,010

Diluted common shares outstanding 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			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Diluted common shares outstanding used in GAAP net income per share calculation	187,769	187,641	185,106	188,175	185,212
Excluding: the effect of FAS123R under the treasury stock method	580	1,329	1,661	960	1,798
Diluted common shares outstanding used in normalized net income per share calculation	<u>188,349</u>	<u>188,970</u>	<u>186,767</u>	<u>189,135</u>	<u>187,010</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
GAAP operating expenses	\$ 88,919	\$ 88,001	\$ 81,658	\$ 259,024	\$ 241,236
Less: stock-based compensation	(13,508)	(16,398)	(16,013)	(40,591)	(48,465)
Less: amortization of other intangible assets	(3,173)	(3,491)	(2,835)	(10,254)	(8,579)
Less: depreciation and amortization	(2,914)	(2,187)	(2,279)	(7,898)	(5,917)
Cash operating expenses	<u>\$ 69,324</u>	<u>\$ 65,925</u>	<u>\$ 60,531</u>	<u>\$ 200,281</u>	<u>\$ 178,275</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Revenues	\$ 197,347	\$ 194,004	\$ 161,240	\$ 578,370	\$ 453,168
Cash operating expenses	<u>69,324</u>	<u>65,925</u>	<u>60,531</u>	<u>200,281</u>	<u>178,275</u>
Cash operating expenses margin	<u>35%</u>	<u>34%</u>	<u>38%</u>	<u>35%</u>	<u>39%</u>

Cost of revenues per Normalized – defined as GAAP cost of revenues, excluding stock-based compensation and depreciation and amortization

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Cost of revenues per GAAP	\$ 56,659	\$ 53,688	\$ 43,811	\$ 161,922	\$ 118,050
Less: stock-based compensation	(614)	(599)	(896)	(1,779)	(2,482)
Less: depreciation and amortization	(18,483)	(17,733)	(14,128)	(52,476)	(37,172)
Cost of revenues per Normalized	<u>\$ 37,562</u>	<u>\$ 35,356</u>	<u>\$ 28,787</u>	<u>\$ 107,667</u>	<u>\$ 78,396</u>

Cash gross profit – defined as revenues, less cost of revenues per normalized

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Revenues	\$ 197,347	\$ 194,004	\$ 161,240	\$ 578,370	\$ 453,168
Cost of revenues per Normalized	<u>37,562</u>	<u>35,356</u>	<u>28,787</u>	<u>107,667</u>	<u>78,396</u>
Cash gross profit	<u>\$ 159,785</u>	<u>\$ 158,648</u>	<u>\$ 132,453</u>	<u>\$ 470,703</u>	<u>\$ 374,772</u>

Cash gross margin – defined as cash gross profit as a percentage of revenues

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Revenues	\$ 197,347	\$ 194,004	\$ 161,240	\$ 578,370	\$ 453,168
Cash gross profit	<u>159,785</u>	<u>158,648</u>	<u>132,453</u>	<u>470,703</u>	<u>374,772</u>
Cash gross margin	<u>81%</u>	<u>82%</u>	<u>82%</u>	<u>81%</u>	<u>83%</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2008	June 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Purchases of property and equipment and capitalization of internal-use software development costs	\$ 36,428	\$ 30,310	\$ 23,326	\$ 94,950	\$ 84,561
Capitalization of stock-based compensation	1,867	1,920	1,551	5,458	4,362
Capital Expenditures or Capex	<u>\$ 38,295</u>	<u>\$ 32,230</u>	<u>\$ 24,877</u>	<u>\$ 100,408</u>	<u>\$ 88,923</u>