

Akamai Technologies Inc.
Reconciliation of non-GAAP to GAAP financial measures
June 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-related compensation, stock-related 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			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Net income	\$ 34,334	\$ 36,911	\$ 21,646	\$ 71,245	\$ 40,825
Interest income, net	(4,780)	(7,331)	(5,243)	(12,111)	(9,975)
Provision for income taxes	1,120	1,227	548	2,347	1,346
Depreciation and amortization	18,906	18,196	14,244	37,102	26,093
Amortization of capitalized stock-related compensation	1,014	861	401	1,875	589
Amortization of other intangible assets	3,491	3,590	2,932	7,081	5,744
Stock-related compensation	16,997	11,251	17,208	28,248	34,038
Utilization of tax NOLs/credits	20,735	23,217	13,437	43,952	25,138
Loss on early extinguishment of debt	-	-	-	-	1
Restructuring benefits	-	-	(178)	-	(178)
Gain on investments, net	(64)	(208)	-	(272)	-
Other expense (income), net	970	(476)	572	494	776
Adjusted EBITDA	<u>\$ 92,723</u>	<u>\$ 87,238</u>	<u>\$ 65,567</u>	<u>\$ 179,961</u>	<u>\$ 124,397</u>

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

	Three months ended			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues	\$ 194,004	\$ 187,019	\$ 152,654	\$ 381,023	\$ 291,928
Adjusted EBITDA	<u>92,723</u>	<u>87,238</u>	<u>65,567</u>	<u>179,961</u>	<u>124,397</u>
Adjusted EBITDA margin	<u>48%</u>	<u>47%</u>	<u>43%</u>	<u>47%</u>	<u>43%</u>

Normalized net income – defined as net income before amortization of other 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 investments, and release of the deferred tax asset valuation allowance

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Restructuring benefits	-	-	(178)	-	(178)
Utilization of tax NOLs/credits	20,735	23,217	13,437	43,952	25,138
Gain on investments, net	(64)	(208)	-	(272)	-
Normalized net income	<u>\$ 76,507</u>	<u>\$ 75,622</u>	<u>\$ 55,446</u>	<u>\$ 152,129</u>	<u>\$ 106,157</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			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Normalized net income	\$ 76,507	\$ 75,622	\$ 55,446	\$ 152,129	\$ 106,157
Interest add-back for diluted share calculation	696	710	710	1,341	1,420
Normalized net income for diluted earnings per share	\$ 77,203	\$ 76,332	\$ 56,156	\$ 153,470	\$ 107,577
Normalized net income per share:					
Basic	<u>\$ 0.46</u>	<u>\$ 0.46</u>	<u>\$ 0.34</u>	<u>\$ 0.91</u>	<u>\$ 0.65</u>
Diluted	<u>\$ 0.41</u>	<u>\$ 0.41</u>	<u>\$ 0.30</u>	<u>\$ 0.81</u>	<u>\$ 0.58</u>
Shares used in normalized net income per share calculations:					
Basic	167,417	165,959	164,798	166,688	163,184
Diluted	188,970	186,826	187,432	188,835	186,320

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			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Diluted common shares outstanding used in GAAP net income per share calculation	187,641	185,744	185,601	187,493	184,648
Excluding: the effect of FAS123R under the treasury stock method	1,329	1,082	1,831	1,342	1,672
Diluted common shares outstanding used in normalized net income per share calculation	<u>188,970</u>	<u>186,826</u>	<u>187,432</u>	<u>188,835</u>	<u>186,320</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-related compensation, amortization of other intangible assets and depreciation and amortization

	Three months ended			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
GAAP operating expenses	\$ 88,001	\$ 82,104	\$ 81,935	\$ 170,105	\$ 159,578
Less: stock-related compensation	(16,398)	(10,685)	(16,361)	(27,083)	(32,452)
Less: amortization of other intangible assets	(3,491)	(3,590)	(2,932)	(7,081)	(5,744)
Less: depreciation and amortization	(2,187)	(2,797)	(1,967)	(4,984)	(3,638)
Cash operating expenses	<u>\$ 65,925</u>	<u>\$ 65,032</u>	<u>\$ 60,675</u>	<u>\$ 130,957</u>	<u>\$ 117,744</u>

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

	Three months ended			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues	\$ 194,004	\$ 187,019	\$ 152,654	\$ 381,023	\$ 291,928
Cash operating expenses	65,925	65,032	60,675	130,957	117,744
Cash operating expenses margin	<u>34%</u>	<u>35%</u>	<u>40%</u>	<u>34%</u>	<u>40%</u>

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

	Three months ended			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Cost of revenues per GAAP	\$ 53,688	\$ 51,575	\$ 39,759	\$ 105,263	\$ 74,239
Less: stock-related compensation	(599)	(566)	(847)	(1,165)	(1,586)
Less: depreciation and amortization	(17,733)	(16,260)	(12,678)	(33,993)	(23,044)
Cost of revenues per Normalized	<u>\$ 35,356</u>	<u>\$ 34,749</u>	<u>\$ 26,234</u>	<u>\$ 70,105</u>	<u>\$ 49,609</u>

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

	Three months ended			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues	\$ 194,004	\$ 187,019	\$ 152,654	\$ 381,023	\$ 291,928
Cost of revenues per Normalized	35,356	34,749	26,234	70,105	49,609
Cash gross profit	<u>\$ 158,648</u>	<u>\$ 152,270</u>	<u>\$ 126,420</u>	<u>\$ 310,918</u>	<u>\$ 242,319</u>

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

	Three months ended			Six months ended	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues	\$ 194,004	\$ 187,019	\$ 152,654	\$ 381,023	\$ 291,928
Cash gross profit	158,648	152,270	126,420	310,918	242,319
Cash gross margin	<u>82%</u>	<u>81%</u>	<u>83%</u>	<u>82%</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-related compensation

	Three months ended			Six months ended	
	<u>June 30, 2008</u>	<u>March 31, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Purchases of property and equipment and capitalization of internal-use software development costs	\$ 30,310	\$ 28,212	\$ 29,692	\$ 58,522	\$ 61,235
Capitalization of stock-related compensation	<u>1,920</u>	<u>1,671</u>	<u>1,427</u>	<u>3,591</u>	<u>2,811</u>
Capital Expenditures or Capex	<u>\$ 32,230</u>	<u>\$ 29,883</u>	<u>\$ 31,119</u>	<u>\$ 62,113</u>	<u>\$ 64,046</u>