

Press Release

Reconciliation of non-GAAP to GAAP financial measures

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Akamai Technologies Inc.

Reconciliation of non-GAAP to GAAP financial measures December 31, 2003

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). Recent 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 loss before interest, taxes, depreciation, amortization, equity-related compensation, restructuring charges and benefits, certain gains and losses on equity investments and loss on early extinguishment of debt

Adjusted-EBITDA	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Net loss	\$ (2,079)	\$ (3,909)	\$ (55,604)	\$ (29,281)	\$ (204,437)
Interest expense, net	4,183	4,343	4,053	17,022	15,310
Provision for income taxes	351	82	123	629	492
Depreciation	8,125	10,757	17,141	47,515	78,488
Amortization of intangible assets	12	12	2,231	2,234	11,930
Amortization of CNN advertising	-	-	1,371	-	5,634
Restructuring charges	-	-	26,675	(8,521)	45,824
Equity-related compensation	1,518	2,056	5,562	9,813	21,195
Loss on early extinguishment of debt	2,097	-	-	2,097	-
(Gain) loss on investments, net	-	(1,637)	(299)	(1,622)	6,099
Adjusted-EBITDA	\$ 14,207	\$ 11,704	\$ 1,253	\$ 39,886	\$ (19,465)

Adjusted EBITDA gross margin - defined as the percent of Adjusted EBITDA over revenue

Adjusted-EBITDA gross margin	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Revenue	\$ 45,169	\$ 41,767	\$ 35,352	\$ 161,259	\$ 144,976
Adjusted-EBITDA	14,207	11,704	1,253	39,886	(19,465)
Adjusted-EBITDA gross margin	31%	28%	4%	25%	-13%

Normalized net income (loss) - defined as net loss before amortization, equity-related compensation, restructuring charges, benefits and certain gains and losses on equity investments, and loss on early extinguishment of debt

Normalized net income (loss)	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Net loss	\$ (2,079)	\$ (3,909)	\$ (55,604)	\$ (29,281)	\$ (204,437)
Amortization of intangible assets	12	12	2,231	2,234	11,930
Amortization of CNN advertising	-	-	1,371	-	5,634
Restructuring charges	-	-	26,675	(8,521)	45,824
Equity-related compensation	1,518	2,056	5,562	9,813	21,195
Loss on early extinguishment of debt	2,097	-	-	2,097	-
(Gain) loss on investments, net	-	(1,637)	(299)	(1,622)	6,099
Normalized net income (loss)	\$ 1,548	\$ (3,478)	\$ (20,064)	\$ (25,280)	\$ (113,755)

Normalized net income (loss) per share - defined as normalized net income (loss) divided by the

weighted average common shares outstanding

Normalized net income (loss) per share	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Normalized net income (loss)	\$ 1,548	\$ (3,478)	\$ (20,064)	\$ (25,280)	\$ (113,755)
Weighted-average common shares outstanding	120,198	118,596	114,866	118,075	112,766
Normalized net income (loss) per share	\$ 0.01	\$ (0.03)	\$ (0.17)	\$ (0.21)	\$ (1.01)

Free cash flow - defined as the net change in cash and cash equivalents and marketable securities quarter over quarter, excluding debt proceeds and redemptions

Free cash flow	Three months ended December 31, 2003
Change in cash and cash equivalents per the consolidated statement of cash flows	\$ 76,178
Change in restricted cash and marketable securities and restricted marketable securities	33,212
Net change in cash, cash equivalents, restricted cash and marketable securities and restricted marketable securities	109,390
Less: Debt proceeds and redemptions, net	95,800
Free cash flow	\$ 13,590

Network costs excluding depreciation and equity related compensation or Cash cost of service - defined as cost of revenue less depreciation and equity-related compensation

Network costs, excluding depreciation and equity-related compensation	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Cost of revenue	\$ 13,123	\$ 14,275	\$ 17,417	\$ 61,115	\$ 85,304
Less: Depreciation and impairment of network-related equipment and internal-use software	5,803	7,487	10,669	33,326	46,297
Less: Equity-related compensation for employees who operate the network	43	51	145	358	636
Network costs, excluding depreciation and equity-related compensation	\$ 7,277	\$ 6,737	\$ 6,603	\$ 27,431	\$ 38,371

Capex or Capital expenditures - defined as purchases of property and equipment and capitalization of internal-use software development costs

Capex or Capital Expenditures	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Purchases of property and equipment and capitalization of internal-use software	\$ 2,712	\$ 2,110	\$ 884	\$ 8,881	\$ 14,187

Cash operating expenses - defined as the sum of Research and Development, Sales and Marketing, and General and Administrative expenses, excluding depreciation and amortization and equity-related compensation

Cash operating expenses (excluding equity-related compensation and depreciation allocation)	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Operating expenses:					
Research and development	\$ 2,473	\$ 3,007	\$ 2,845	\$ 10,152	\$ 17,158
Sales and marketing	12,215	11,025	11,760	44,731	53,068
General and administrative	8,997	9,294	12,891	39,059	55,844
Cash operating expenses	\$ 23,885	\$ 23,326	\$ 27,496	\$ 93,942	\$ 126,070
Cash gross profit	\$ 37,892	\$ 35,030	\$ 28,749	\$ 133,828	\$ 106,605
Less: Cash operating expenses	23,885	23,326	27,496	93,942	126,070
Adjusted-EBITDA	\$ 14,207	\$ 11,704	\$ 1,253	\$ 39,886	\$ (19,465)

Cash gross profit - defined as gross profit before network-related depreciation and equity-related compensation

Cash gross profit	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Revenue	\$ 45,169	\$ 41,767	\$ 35,352	\$ 161,259	\$ 144,976
Less: Network costs, excluding depreciation and equity-related compensation	7,277	6,737	6,603	27,431	38,371
Cash gross profit	<u>\$ 37,892</u>	<u>\$ 35,030</u>	<u>\$ 28,749</u>	<u>\$ 133,828</u>	<u>\$ 106,605</u>

Cash gross margin - defined as the percent of cash gross profit over revenue

Cash gross margin	Three months ended			For the year ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Revenue	\$ 45,169	\$ 41,767	\$ 35,352	\$ 161,259	\$ 144,976
Cash gross profit	37,892	35,030	28,749	133,828	106,605
Cash gross margin	<u>84%</u>	<u>84%</u>	<u>81%</u>	<u>83%</u>	<u>74%</u>

Net income (loss), excluding expenses associated with retirement of old debt - defined as net income (loss) before loss on early extinguishment of debt

Net income (loss), excluding expenses associated with early retirement of old debt	Three months ended
	December 31, 2003
Net loss	\$ (2,079)
Loss on early extinguishment of debt	<u>2,097</u>
Net income, excluding expenses associated with early retirement of old debt	<u>\$ 18</u>

Fully diluted share count - defined as issued common shares and unexercised stock options, deferred stock units and warrants

Fully diluted share count	December 31, 2003	September 30, 2003	December 31, 2002
Common shares issued	122,155	119,424	117,660
Unexercised stock options, deferred stock units and warrants	<u>15,586</u>	<u>17,633</u>	<u>16,723</u>
Fully diluted share count	<u>137,741</u>	<u>137,057</u>	<u>134,383</u>