Akamai Technologies, Inc.
Reconciliation of GAAP to Non-GAAP financial measures
June 30, 2013

In addition to providing financial measurements based on generally accepted accounting principles in the United States of America (GAAP), Akamai provides additional financial metrics that are not prepared in accordance with GAAP (non-GAAP). Management uses non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate Akamai's financial performance.

Management believes that these non-GAAP financial measures reflect Akamai's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in its business, as they exclude expenses and gains that may be infrequent, unusual in nature and not reflective of the Company's ongoing operating results. Management also believes that these non-GAAP financial measures provide useful information to investors in understanding and evaluating the Company's operating results and future prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

The non-GAAP financial measures do not replace the presentation of the Company's GAAP financial results and should only be used as a supplement to, not as a substitute for, the Company's financial results presented in accordance with GAAP. Akamai has provided a reconciliation of each non-GAAP financial measure used in its financial reporting to the most directly comparable GAAP financial measure. This reconciliation captioned "Reconciliation to of GAAP to Non-GAAP Financial Measures" can be found on the Investor Relations section of Akamai's website.

Akamai's definitions of its non-GAAP financial measures are outlined below:

Adjusted EBITDA – GAAP net income excluding the following items: interest; income taxes; depreciation and amortization of tangible and intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; restructuring charges and benefits; acquisition related costs and benefits; certain gains and losses on investments; gains, losses and other activity related to divestiture of a business; foreign exchange gains and losses; loss on early extinguishment of debt; gains and losses on legal settlements and other non-recurring or unusual items that may arise from time to time.

	Three months ended			**Six months ended**	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Net income	$ 61,895	$ 71,487	$ 44,239	$ 133,382	$ 87,466
Interest income, net	(1,477)	(1,608)	(1,626)	(3,085)	(3,272)
Provision for income taxes	37,426	31,177	25,529	68,603	55,086
Depreciation and amortization	36,414	34,414	42,710	70,828	81,822
Amortization of capitalized stock-based compensation	1,978	1,901	1,939	3,879	3,694
Amortization of acquired intangible assets	5,734	6,060	5,463	11,794	10,230
Stock-based compensation	24,801	22,931	25,621	47,732	46,545
Restructuring charges (benefits)	391	431	(46)	822	14
Acquisition related costs	31	337	376	368	4,828
Gain and other activity related to divestiture of a business, net	(1,093)	(1,188)	-	(2,281)	-
Other expense (income), net	(341)	132	(1,131)	(209)	(690)
Adjusted EBITDA	$ 165,759	$ 166,074	$ 143,074	$ 331,833	$ 285,723

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

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Revenues	$ 378,106	$ 368,046	$ 331,306	$ 746,152	$ 650,754
Adjusted EBITDA	165,759	166,074	143,074	331,833	285,723
Adjusted EBITDA margin	44%	45%	43%	44%	44%

Non-GAAP net income – GAAP net income adjusted for the following tax-effected items: amortization of acquired intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; restructuring charges and benefits; acquisition related costs and benefits; certain gains and losses on investments; gains, losses and other activity related to divestiture of a business; loss on early extinguishment of debt; gains and losses on legal settlements and other non-recurring or unusual items that may arise from time to time.

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Net income	$ 61,895	$ 71,487	$ 44,239	$ 133,382	$ 87,466
Amortization of acquired intangible assets	5,734	6,060	5,463	11,794	10,230
Stock-based compensation	24,801	22,931	25,621	47,732	46,545
Amortization of capitalized stock-based compensation	1,978	1,901	1,939	3,879	3,694
Restructuring charges (benefits)	391	431	(46)	822	14
Acquisition related costs	31	337	376	368	4,828
Gain and other activity related to divestiture of a business, net	(1,093)	(1,188)	-	(2,281)	-
Income tax-effect of above non-GAAP adjustments	(9,726)	(8,726)	(10,444)	(18,452)	(20,333)
Non-GAAP net income	$ 84,011	$ 93,233	$ 67,148	$ 177,244	$ 132,444

Non-GAAP net income per share (Non-GAAP EPS) – Non-GAAP net income divided by the basic weighted average or diluted common shares outstanding used in GAAP net income per share calculations.

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Non-GAAP net income	$ 84,011	$ 93,233	$ 67,148	$ 177,244	$ 132,444
Non-GAAP net income per share:					
Basic	$ 0.47	$ 0.52	$ 0.38	$ 1.00	$ 0.74
Diluted	$ 0.46	$ 0.51	$ 0.37	$ 0.98	$ 0.73
Shares used in per share calculations:					
Basic	177,891	177,899	178,547	177,895	178,333
Diluted	181,388	181,562	181,817	181,475	182,080

Cash operating expenses (Cash opex) – GAAP operating expenses (consisting of Research and Development, Sales and Marketing, General and Administrative expenses, Amortization of acquired intangible assets and Restructuring charges (benefits)), excluding stock-based compensation, amortization of acquired intangible assets, depreciation and amortization, restructuring charges and benefits and acquisition and related costs and benefits, and gains, losses and other activity related to divestiture of a business.

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
GAAP operating expenses	$ 155,898	$ 146,466	$ 133,035	$ 302,364	$ 255,979
Less: stock-based compensation	(22,083)	(20,304)	(22,557)	(42,387)	(40,775)
Less: amortization of acquired intangible assets	(5,734)	(6,060)	(5,463)	(11,794)	(10,230)
Less: depreciation and amortization	(6,227)	(5,576)	(4,784)	(11,803)	(9,337)
Less: restructuring (charges) benefits	(391)	(431)	46	(822)	(14)
Less: acquisition related costs	(31)	(337)	(376)	(368)	(4,828)
Less: gain and other activity related to divestiture of a business, net	1,093	1,188	-	2,281	-
Cash operating expenses	$ 122,525	$ 114,946	$ 99,901	$ 237,471	$ 190,795

Cash cost of revenues – GAAP cost of revenues, excluding stock-based compensation and depreciation and amortization.

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Cost of revenues per GAAP	$ 124,705	$ 120,392	$ 131,260	$ 245,097	$ 256,185
Less: stock-based compensation	(2,718)	(2,627)	(3,064)	(5,345)	(5,770)
Less: depreciation and amortization	(32,165)	(30,739)	(39,865)	(62,904)	(76,179)
Cash cost of revenues	$ 89,822	$ 87,026	$ 88,331	$ 176,848	$ 174,236

Cash gross profit – Revenues less cash cost of revenues.

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Revenues	$ 378,106	$ 368,046	$ 331,306	$ 746,152	$ 650,754
Cash cost of revenues	89,822	87,026	88,331	176,848	174,236
Cash gross profit	$ 288,284	$ 281,020	$ 242,975	$ 569,304	$ 476,518

Cash gross margin – Revenues less GAAP cost of revenues, excluding stock-based compensation and depreciation and amortization, as a percentage of revenues.

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Revenues	$ 378,106	$ 368,046	$ 331,306	$ 746,152	$ 650,754
Cash gross profit	288,284	281,020	242,975	569,304	476,518
Cash gross margin	76%	76%	73%	76%	73%

Revenues, adjusted for ADS divestiture - Revenues excluding the impact of Akamai's Advertisting Decision Solutions (ADS) divestiture.

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Revenues, reported	$ 378,106	$ 368,046	$ 331,306	$ 746,152	$ 650,754
Less: ADS	-	(2,747)	(10,455)	(2,747)	(20,576)
Revenues, adjusted for ADS divestiture	$ 378,106	$ 365,299	$ 320,851	$ 743,405	$ 630,178

Capital expenditures (Capex) – Purchases of property and equipment, capitalization of internal-use software development costs and capitalization of stock-based compensation.

	Three months ended			Six months ended	
	Jun. 30, 2013	Mar. 31, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
Purchases of property and equipment	$ 54,369	$ 46,478	$ 42,188	$ 100,847	$ 72,621
Capitalization of internal-use software development costs	18,129	16,998	13,351	35,127	26,262
Capex, excluding stock-based compensation	72,498	63,476	55,539	135,974	98,883
Capitalization of stock-based compensation	3,245	2,938	1,835	6,183	4,133
Capital expenditures	$ 75,743	$ 66,414	$ 57,374	$ 142,157	$ 103,016

Capex margin - Capital expenditures, or capex, as a percentage of revenues.

Non-GAAP Tax Rate - GAAP Tax rate excluding the tax effect of non-GAAP adjustments and certain discrete income tax items.

Use of Constant Currency - Revenues from the Company's international operations has historically represented a significant portion of its total revenues. As a result, the Company's revenues results have been impacted, and management expects it will continue to be impacted, by fluctuations in foreign currency exchange rates. For example, if the local currencies of the Company's foreign subsidiaries weaken, its consolidated results stated in U.S. dollars are negatively impacted.

As exchange rates are an important factor in understanding period to period comparisons, management believes the presentation of revenue growth rates on a constant currency basis enhances the understanding of the Company's revenue results and evaluation of its performance in comparison to prior periods. The constant currency information presented is calculated by translating current period results using the same foreign currency exchange rates as were used in the Company's full year budget.

The non-GAAP adjustments, and Akamai's basis for excluding them from non-GAAP financial measures, are outlined below:

• **Amortization of acquired intangible assets**– Akamai has incurred amortization of intangible assets, included in its GAAP financial statements, related to various acquisitions the Company has made. The amount of an acquisition's purchase price allocated to intangible assets and term of its related amortization can vary significantly and are unique to each acquisition. Therefore, Akamai excludes amortization of acquired intangible assets to provide investors with a consistent basis for comparing pre- and post-acquisition operating results.

• **Stock-based compensation and Amortization of capitalized stock-based compensation** – Although stock-based compensation is an important aspect of the compensation to Akamai's employees and executives, the expense varies with changes in the stock price and market conditions at the time of grant, varying valuation methodologies, subjective assumptions and the variety of award types. This makes the comparison of the Company's current financial results to previous and future periods difficult to interpret. Therefore, Akamai believes it is useful to exclude stock-based compensation and amortization of capitalized stock-based compensation in order to better understand the performance of the Company's core business performance and to be consistent with the way the investors evaluate its performance and comparison of its operating results to peer companies.

• **Restructuring charges (benefits)** – Akamai has incurred restructuring charges and benefits, included in its GAAP financial statements, primarily due to workforce reductions and estimated costs of exiting facility lease commitments. Akamai excludes these items when evaluating its continuing business performance as such items are not consistently recurring and not do reflect expected future operating expense, nor provide meaningful evaluation of current and past operations of its business.

• Acquisition related costs (benefits) – Acquisition related costs and benefits include transaction fees, due diligence costs and other one-time direct costs associated with strategic activities. In addition, subsequent adjustments to the Company's initial estimated amount of contingent consideration associated with specific acquisitions are included within acquisition related costs and benefits. These amounts are impacted by the timing and size of the acquisitions. Akamai excludes acquisition related costs and benefits to provide a useful comparison of the Company's operating results to prior periods and to its peer companies because such amounts vary significantly based on magnitude of its acquisition transactions.

• **Gain and other activity related to divestiture of a business** – Akamai recognized gains associated with the divestiture of its Advertising Decisions Solutions business. In addition, subsequent adjustments to the fair value of the convertible note receivable received in the transaction are included as other activity related to the divestiture of its Advertising Decision Solutions business. Akamai excludes gains and other activity related to divestiture of a business because sales of this nature occur infrequently and are not considered part of the Company's core business operations.

• **Legal settlements, net, Loss (gain) on investments and Loss on early extinguishment of debt –** Akamai has incurred gains and losses associated with the resolution of certain legal actions, in connection with the impairment of certain investments and with the early extinguishment of convertible debt. Akamai believes excluding these amounts is useful to investors as these actions occur infrequently, are not representative of the Company's core business operations or meaningful in evaluating the Company's business results.

• **Income tax-effect of non-GAAP adjustments** – The non-GAAP adjustments described above are reported on a pre-tax basis. The income tax effect of non-GAAP adjustments is the difference between GAAP and non-GAAP income tax expense. Non-GAAP income tax expense is computed on non-GAAP pre-tax income (GAAP pre-tax income adjusted for non-GAAP adjustments) and excludes certain discrete tax items (such as recording or release of valuation allowances), if any. Akamai believes that applying the non-GAAP adjustments and their related income tax effect allows the Company to more properly reflect the income attributable to its core operations.