

Akamai Reports First Quarter 2002 Results

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- First quarter revenue of \$37.9 million
- Total EdgeSuiteSM customers increased to 185
- First quarter EBITDA loss narrows to \$5.8 million
- First quarter normalized net loss is \$0.27 per share, compared to First Call's consensus summary net loss of \$0.32 per share

CAMBRIDGE, Mass. - April 18, 2002 - Akamai Technologies, Inc. (NASDAQ: AKAM), a leading provider of secure, outsourced e-business infrastructure services and software, today reported financial results for the first quarter ended March 31, 2002. Revenue for the first quarter 2002 was \$37.9 million.

"Our first quarter of 2002 was marked by positive but modest growth," said George Conrades, chairman and CEO of Akamai. "We continued to significantly improve our customer quality and sales of our higher margin EdgeSuite service, while improving the bottom line. This reflects our focus on profitability while maintaining a healthy balance sheet as we drive toward our goal of becoming free cash flow positive in 2003."

Net loss for the first quarter 2002 before interest, taxes, depreciation, amortization and other one-time and non-cash charges (EBITDA) was \$5.8 million, lower than the fourth quarter 2001 EBITDA loss of \$14.3 million, and down about 84% from the first quarter 2001 EBITDA loss of \$36.5 million. EBITDA (earnings before interest, taxes, depreciation, amortization and other one-time and non-cash charges) is calculated as gross profit less research and development expenses, sales and marketing expenses and general and administrative expenses.

Normalized net loss for first quarter 2002 totaled \$29.5 million, or \$0.27 per share, compared to First Call's consensus summary net loss of \$0.32 per share. Normalized net loss is calculated as EBITDA less net interest expense, provision for income taxes and depreciation. Fourth quarter 2001 normalized net loss was \$37.8 million, or \$0.35 per share, and first quarter 2001 normalized net loss was \$52.5 million, or \$0.53 per share.

Net loss, in accordance with GAAP, for first quarter 2002 was \$59.1 million, or \$0.54 per share, compared to a net loss in accordance with GAAP for the fourth quarter 2001 of \$64.8 million, or \$0.60 per share, and for the first quarter 2001 a loss of \$2,222.8 million, or \$22.50 per share.

First Quarter 2002 Highlights:

Customers

At the end of the first quarter of 2002, Akamai had 185 EdgeSuite customers under recurring contract, compared to 152 at the end of the previous quarter. New EdgeSuite customers in the first quarter included DaimlerChrysler, Edmunds.com, Foot Locker, Toyota Motor Sales, and TrendMicro, among others. Resellers and channel partners accounted for approximately 25% of first quarter revenue, consistent with levels from the fourth quarter of last year.

"We saw continued market acceptance of our EdgeSuite offering in spite of a difficult IT spending environment," said Conrades. "Revenue from EdgeSuite, our primary growth driver, was 27% of total revenue for the quarter, up from 20% in the fourth quarter. This is a 35% sequential increase quarter over quarter."

The combination of Akamai's wholly owned European operations plus the Akamai Technologies Japan K.K. joint venture contributed approximately 13% of revenue in the first quarter of 2002, compared to 12% in the prior quarter.

Network

In the first quarter, Akamai continued to extend its deployment in 66 countries into a total of 1,047 networks, up from 1,036 networks at the end of the prior quarter. Akamai now has 12,674 servers deployed versus 13,522 servers at the end of the prior quarter. Quarterly server deployment contracted slightly principally as Akamai removed servers from several bankrupt ISPs, completed consolidation of some network assets, and replaced selected servers with more powerful models.

Technology

During the first quarter of 2002, Akamai furthered its evolution from Edge Delivery to Edge Computing with the addition of new functionality to EdgeSuite, including:

EdgeSuite Edge Processing - extends and accelerates an enterprise's e-business applications by performing processing including authorization, assembly, and transformations at optimal locations within the global Akamai platform;

Akamai SureRouteSM - advanced technology that determines the optimal route between the customer's origin servers and the edge of the Internet to optimize delivery for all types of content, including dynamic, uncacheable content;

EdgeSuite Site ShieldSM - an industry-leading solution for protecting a Web site from the wide range of threats on the public Internet; and,

Last Mile Compression - enables accelerated delivery of HTML/text content to end-users resulting in faster downloads with no hardware or software installation or maintenance required.

Financials

"Our 2002 first quarter operating results, strong customer collections with 45 days sales outstanding, and the real estate settlement with our Cambridge landlord, all strengthened our cash outlook," said Timothy Weller, chief financial officer at Akamai. "Not only did we end the first quarter with over \$170 million of cash and marketable securities, we took major steps to cut our future burn rate, ensuring that our fully-funded business plan remains stronger than ever."

In the first quarter 2002, Akamai reached an agreement to terminate the Company's leases with MIT at 500 and 600 Technology Square in Cambridge for an upfront payment of \$15 million, thus reducing Akamai's long-term capital lease agreements by over \$100 million. The Company expects to achieve \$8-10 million of annual cash savings from this transaction.

At March 31, 2002, the Company had approximately \$171.7 million of cash, cash equivalents, and short-term and long-term marketable securities as compared to \$210.5 million at December 31, 2001. Capital expenditures, principally made in connection with network deployment, facilities and information systems, for the quarter were \$2.8 million.

At March 31, 2002, the Company had 115.7 million shares of common stock outstanding. At March 31, 2002, common stock outstanding and unexercised stock options and warrants totaled 130.6 million shares.

Akamai Technologies, Inc.
Condensed Consolidated Balance Sheets
(dollar amounts in thousands)
(unaudited)

	March 31, 2002	December 31, 2001
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 63,809	\$ 78,774
Marketable securities	100,313	113,906
Accounts receivable, net	17,294	20,067
Prepaid expenses and other current assets	16,542	15,253
	-----	-----
Total current assets	197,958	228,000
Property and equipment, net	114,717	132,237
Goodwill and other intangible assets, net	14,104	19,351
Marketable securities	7,603	17,831
Other assets	16,423	24,059
	-----	-----
Total assets	\$350,805	\$421,478
	=====	=====

Liabilities and stockholders' (deficit) equity

Current liabilities:		
Accounts payable and accrued expenses	\$ 57,096	\$ 68,311
Other current liabilities	21,390	22,987
	-----	-----
Total current liabilities	78,486	91,298
Other liabilities	7,200	12,947
Convertible notes	300,000	300,000
	-----	-----
Total liabilities	385,686	404,245
Stockholders' (deficit) equity	(34,881)	17,233
	-----	-----
Total liabilities and stockholders' (deficit) equity	\$ 350,805	\$ 421,478
	=====	=====

Akamai Technologies, Inc.
Condensed Consolidated Statements of Operations
(dollar amounts in thousands, except per share data)
(unaudited)

	-----Three Months Ended-----				
	March 31, 2002	Dec. 31, 2001	Sept. 30, 2001	June 30, 2001	March 31, 2001
	-----	-----	-----	-----	-----
Revenue	\$ 37,927	\$ 37,110	\$ 42,754	\$ 43,141	\$ 40,209
Cost of service (before network-related depreciation)(4)	11,242	13,977	15,869	16,439	18,834
	-----	-----	-----	-----	-----
Gross profit	26,685	23,133	26,885	26,702	21,375
	-----	-----	-----	-----	-----
Gross margin %	70.4%	62.3%	62.9%	61.9%	53.2%

Operating

expenses: (4)					
Research and development	4,869	6,575	7,627	9,595	11,284
Sales and marketing	13,610	13,355	17,432	19,072	23,937
General and administrative	13,966	17,517	18,396	24,532	22,622
Amortization of CNN advertising	1,246	1,410	1,818	2,013	391
Amortization of goodwill and other intangible assets	5,237	4,034	7,440	5,392	238,938
Depreciation	20,010	19,912	19,116	18,340	16,452
Equity-related compensation	6,371	7,188	8,717	11,038	4,514
Restructuring charge	12,409	14,302	--	26,194	--
Impairment of goodwill	--	--	--	--	1,912,840
	-----	-----	-----	-----	-----
Total operating expenses	77,718	84,293	80,546	116,176	2,230,978
	-----	-----	-----	-----	-----
Operating loss	(51,033)	(61,160)	(53,661)	(89,474)	(2,209,603)
Interest income (expense), net	(3,574)	(3,336)	(2,210)	(1,637)	581
Other income	--	--	1,002	--	--
Equity in losses of affiliate	--	--	--	(153)	(1,847)
Loss on investments	(4,328)	8	(213)	(1,000)	(11,747)
	-----	-----	-----	-----	-----
Loss before provision for income taxes	(58,935)	(64,488)	(55,082)	(92,264)	(2,222,616)
Provision for income taxes	123	277	277	344	164
	-----	-----	-----	-----	-----
Net loss	\$(59,058)	\$(64,765)	\$(55,359)	\$(92,608)	\$(2,222,780)
	=====	=====	=====	=====	=====
Basic and diluted net loss per share	\$ (0.54)	\$ (0.60)	\$ (0.53)	\$ (0.91)	\$ (22.50)
Weighted average common shares outstanding	109,693	108,357	104,166	101,629	98,780
Supplemental financial data (dollars and shares in thousands):					
Normalized net loss (1)	\$(29,467)	\$(37,839)	\$(38,173)	\$(46,818)	\$ (52,503)
Normalized basic and diluted net loss per share	\$ (0.27)	\$ (0.35)	\$ (0.37)	\$ (0.46)	\$ (0.53)
EBITDA (2)	\$(5,760)	\$(14,314)	\$(16,570)	\$(26,497)	\$ (36,468)

Recurring free cash flow (3)	\$ (12,121)	\$ (24,818)	\$ (33,523)	\$ (46,379)	\$ (60,381)
Network-related depreciation	\$ 11,807	\$ 12,098	\$ 10,991	\$ 10,276	\$ 9,312
Other depreciation	\$ 8,203	\$ 7,814	\$ 8,125	\$ 8,064	\$ 7,140
Capital expenditures	\$ 2,787	\$ 7,168	\$ 14,743	\$ 18,245	\$ 24,494
End of period statistics:					
EdgeSuite customers	185	152	100	51	16
Number of customers under recurring contract	1,055	1,078	1,096	1,208	1,377
Number of employees	822	841	1,111	1,129	1,299
Number of servers	12,674	13,522	13,036	11,689	9,743
Common stock outstanding	115,723	115,099	115,281	115,071	109,215
Common stock outstanding and unexercised options and warrants	130,594	128,926	126,090	125,470	127,372
End of period ratios:					
Annualized average revenue per employee	\$ 182.5	\$ 152.1	\$ 152.7	\$ 142.1	\$ 123.8
Cost of service as a % of revenue	29.6%	37.7%	37.1%	38.1%	46.8%
Research and development as a % of revenue	12.8%	17.7%	17.8%	22.2%	28.1%
Sales and marketing as a % of revenue	35.9%	36.0%	40.8%	44.2%	59.5%
General and administrative as a % of revenue	36.8%	47.2%	43.0%	56.9%	56.3%
Capital expenditures as a % of revenue	7.3%	19.3%	34.5%	42.3%	60.9%
Days sales outstanding of accounts receivable	45	49	48	52	53

(1) Normalized net loss (net loss before amortization and other one-time and non-cash charges) is calculated as EBITDA less net interest expense, provision for income taxes and depreciation. See Supplemental Financial Information for reconciliation to GAAP net loss.

(2) EBITDA (earnings before interest, taxes, depreciation, amortization and other one-time and non-cash charges) is calculated as gross profit less research and development, sales and marketing and general and administrative expenses. See Supplemental Financial Information for reconciliation to GAAP net loss.

(3) Recurring free cash flow is calculated as EBITDA less capital expenditures less net interest expense. See Supplemental Financial Information for reconciliation to GAAP net loss.

(4) Akamai's Condensed, Consolidated Statements of Operations are shown in a new format. In the old format, the engineering and development line included research and development; network operations, which has been moved to cost of service in the new format; and information technology, which has been moved to general and administrative in the new format. The sales, general and administrative line in the old format has been separated into two lines called sales and marketing, and general and administrative in the new format. All other expense lines are the same in both format. Each expense line which is different in the old and new format is presented in both formats in the Supplemental Financial Information.

Akamai Technologies, Inc.
Supplemental Financial Information

Reconciliation from GAAP to
Normalized net loss, EBITDA
and Recurring free cash flow

	-----Three Months Ended-----				
	March 31, 2002	Dec. 31, 2001	Sept. 30, 2001	June 30, 2001	March 31, 2001
	-----	-----	-----	-----	-----
Net loss in accordance with GAAP	\$(59,058)	\$(64,765)	\$(55,359)	\$(92,608)	\$(2,222,780)
Adjustments to reconcile net loss to Normalized net loss, EBITDA and Recurring free cash flow:					
Amortization of goodwill, intangibles and CNN advertising	6,483	5,444	9,258	7,405	239,329
Equity-related compensation	6,371	7,188	8,717	11,038	4,514
Impairment of goodwill	--	--	--	--	1,912,840
Restructuring charge	12,409	14,302	--	26,194	--
Equity in losses of affiliate	--	--	--	153	1,847
Loss on investments	4,328	(8)	213	1,000	11,747
Other income	--	--	(1,002)	--	--
	-----	-----	-----	-----	-----
(1) Normalized net loss	(29,467)	(37,839)	(38,173)	(46,818)	(52,503)

Interest expense

(income), net	3,574	3,336	2,210	1,637	(581)
Provision for income taxes	123	277	277	344	164
Depreciation	20,010	19,912	19,116	18,340	16,452
	-----	-----	-----	-----	-----
(2) EBITDA	(5,760)	(14,314)	(16,570)	(26,497)	(36,468)
Interest (expense) income, net	(3,574)	(3,336)	(2,210)	(1,637)	581
Capital expenditures	(2,787)	(7,168)	(14,743)	(18,245)	(24,494)
	-----	-----	-----	-----	-----
(3) Recurring free cash flow	\$(12,121)	\$(24,818)	\$(33,523)	\$(46,379)	\$(60,381)
	=====	=====	=====	=====	=====

Condensed Consolidated Statements
of Operations format changes

-----Three Months Ended-----				
March 31,	Dec. 31,	Sept. 30,	June 30,	March 31,
2002	2001	2001	2001	2001
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(4) Comparison of
old format and new
format expense lines

Old format:

Cost of service Engineering and development	9,697	11,948	13,402	13,622	16,160
Sales, general and administrative	9,098	12,254	13,828	16,737	18,632
	24,892	27,222	32,094	39,279	41,885
	-----	-----	-----	-----	-----
	43,687	51,424	59,324	69,638	76,677
	=====	=====	=====	=====	=====

New format:

Cost of service Research and development	11,242	13,977	15,869	16,439	18,834
Sales and marketing	4,869	6,575	7,627	9,595	11,284
General and administrative	13,610	13,355	17,432	19,072	23,937
	13,966	17,517	18,396	24,532	22,622
	-----	-----	-----	-----	-----
	43,687	51,424	59,324	69,638	76,677
	=====	=====	=====	=====	=====

Quarterly Conference Call

Akamai will host a conference call today at 4:30 p.m. ET that can be accessed through 800-274-4379 (or 1+ 706-645-9202 for international calls). A live Webcast of the call can be accessed at www.akamai.com. In addition, a replay of the call will be available for one week following the conference through the Akamai Website or by calling 800-642-1687 (or 1+ 706-645-9291 for international calls) and using conference ID No. 3728348.

About Akamai

Akamai is a leading provider of secure, outsourced e-business infrastructure services and software. These services and

software enable companies to reduce the complexity and cost of deploying and operating a uniform Web infrastructure while ensuring unmatched performance, reliability, scalability and manageability. Akamai's services give businesses a distinct competitive advantage and provide an unparalleled Internet experience for their customers. Akamai's intelligent edge platform for content, streaming media, and application delivery comprises more than 12,600 servers within over 1,000 networks in 66 countries. With headquarters in Cambridge, Massachusetts, Akamai provides services and industry-renowned customer care to hundreds of enterprises worldwide, including dozens of Fortune 500 businesses. For information on Delivering a Better InternetSM, visit www.akamai.com.

Akamai Statement Under the Private Securities Litigation Reform Act

The release contains information about future expectations, plans and prospects of Akamai's management that constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors including, but not limited to, general economic conditions, unexpected increases in Akamai's use of funds, the dependence on Akamai's Internet content delivery service, outsourced e-business infrastructure services and other technology products, lack of market acceptance of our services, including EdgeSuite, a failure by us to successfully enter into any license, technology development or other technology partnership agreement within the time periods expected by us or at all, the sometimes lengthy and unpredictable amount of time required to engage a customer, failure to achieve incremental revenue growth through increased sales resources in a timely fashion or at all, the complexity of our services and the networks on which our services are deployed, and human error in operating the same, a failure of Akamai's network infrastructure, failure to lease new space under desirable economic terms, changes in regulations or laws relating to privacy or other aspects of the Internet and other factors that are discussed in the Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q, and other documents periodically filed with the SEC. In addition, any forward-looking statements represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.