

Akamai Technologies, Inc.

Reconciliation of non-GAAP to GAAP financial measures

December 31, 2009

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

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 30, 2009	Dec. 31, 2008
Net income	\$ 40,080	\$ 32,745	\$ 40,533	\$ 145,913	\$ 145,138
Interest income, net	(2,841)	(2,807)	(4,862)	(13,132)	(21,967)
Provision for income taxes	1,936	1,585	1,204	7,116	4,675
Depreciation and amortization	26,580	25,668	22,583	99,358	79,964
Amortization of capitalized stock-based compensation	1,851	1,794	1,219	6,413	4,212
Amortization of other intangible assets	4,142	4,103	3,651	16,722	13,905
Stock-based compensation	16,798	13,612	15,529	58,797	57,899
Utilization of tax NOLs/credits	22,553	18,563	18,336	84,203	84,722
Restructuring charge	-	-	2,509	454	2,509
(Gain) loss on investments, net	(2)	-	430	(457)	157
Other loss (income), net	496	659	(801)	(163)	(461)
Adjusted EBITDA	\$ 111,593	\$ 95,922	\$ 100,331	\$ 405,224	\$ 370,753

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

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Revenues	\$ 238,305	\$ 206,500	\$ 212,554	\$ 859,773	\$ 790,924
Adjusted EBITDA	111,593	95,922	100,331	405,224	370,753
Adjusted EBITDA margin	47%	46%	47%	47%	47%

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

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Net income	\$ 40,080	\$ 32,745	\$ 40,533	\$ 145,913	\$ 145,138
Amortization of other intangible assets	4,142	4,103	3,651	16,722	13,905
Stock-based compensation	16,798	13,612	15,529	58,797	57,899
Amortization of capitalized stock-based compensation	1,851	1,794	1,219	6,413	4,212
Restructuring charge	-	-	2,509	454	2,509
Utilization of tax NOLs/credits	22,553	18,563	18,336	84,203	84,722
(Gain) loss on investments, net	(2)	-	430	(457)	157
Normalized net income	\$ 85,422	\$ 70,817	\$ 82,207	\$ 312,045	\$ 308,542

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			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Normalized net income	\$ 85,422	\$ 70,817	\$ 82,207	\$ 312,045	\$ 308,542
Interest add-back for diluted share calculation	688	688	696	2,754	2,782
Normalized net income for diluted earnings per share	\$ 86,110	\$ 71,505	\$ 82,903	\$ 314,799	\$ 311,324
Normalized net income per share:					
Basic	\$ 0.50	\$ 0.41	\$ 0.49	\$ 1.82	\$ 1.84
Diluted	\$ 0.46	\$ 0.38	\$ 0.44	\$ 1.67	\$ 1.66
Shares used in normalized net income per share calculations:					
Basic	170,936	171,686	168,843	171,425	167,673
Diluted	188,621	188,273	186,489	188,658	187,382

Fully-taxed normalized net income – defined as net income before amortization of other intangible assets, stock-based compensation expense, amortization of capitalized stock-based compensation, restructuring charges and benefits, certain gains and losses on investments and loss on early extinguishment of debt

	Three months ended			Year Ended	
	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	Mar. 31, 2009	Dec. 31, 2009
Net income	\$ 40,080	\$ 32,745	\$ 36,007	\$ 37,081	\$ 145,913
Amortization of other intangible assets	4,142	4,103	4,238	4,239	16,722
Stock-based compensation	16,798	13,612	13,320	15,067	58,797
Amortization of capitalized stock-based compensation	1,851	1,794	1,461	1,307	6,413
Restructuring charge	-	-	-	454	454
(Gain) loss on investments, net	(2)	-	-	(455)	(457)
Normalized net income	\$ 62,869	\$ 52,254	\$ 55,026	\$ 57,693	\$ 227,842

Fully-taxed normalized net income per share – defined as fully-taxed normalized net income, plus interest add-back for diluted share calculation, divided by the basic weighted average or diluted common shares outstanding used in fully-taxed normalized net income per share calculations

	Three months ended			Year Ended	
	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	Mar. 31, 2009	Dec. 31, 2009
Fully-taxed normalized net income	\$ 62,869	\$ 52,254	\$ 55,026	\$ 57,693	\$ 227,842
Interest add-back for diluted share calculation	440	439	441	426	1,746
Fully-taxed normalized net income for diluted earnings per share	\$ 63,309	\$ 52,693	\$ 55,467	\$ 58,119	\$ 229,588
Fully-taxed normalized net income per share:					
Basic	\$ 0.37	\$ 0.30	\$ 0.32	\$ 0.34	\$ 1.33
Diluted	\$ 0.34	\$ 0.28	\$ 0.29	\$ 0.31	\$ 1.22
Shares used in fully-taxed normalized net income per share calculations:					
Basic	170,936	171,686	172,561	170,519	171,425
Diluted	188,621	188,273	189,556	188,183	188,658

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 stock-based compensation under the treasury stock method in normalized net income per share calculation

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Diluted common shares outstanding used in GAAP net income per share calculation	188,621	188,273	186,694	188,658	186,685
Excluding: the effect of stock-based compensation under the treasury stock method	-	-	(205)	-	697
Diluted common shares outstanding used in normalized net income per share calculation	188,621	188,273	186,489	188,658	187,382

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 charge (benefit)), excluding stock-based compensation, amortization of other intangible assets, depreciation and amortization and restructuring charges and benefits

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
GAAP operating expenses	\$ 108,503	\$ 93,768	\$ 97,026	\$ 386,355	\$ 356,050
Less: stock-based compensation	(16,185)	(13,080)	(14,893)	(56,602)	(55,484)
Less: amortization of other intangible assets	(4,142)	(4,103)	(3,651)	(16,722)	(13,905)
Less: depreciation and amortization	(3,843)	(3,935)	(3,639)	(15,331)	(11,537)
Less: restructuring charge	-	-	(2,509)	(454)	(2,509)
Cash operating expenses	<u>\$ 84,333</u>	<u>\$ 72,650</u>	<u>\$ 72,334</u>	<u>\$ 297,246</u>	<u>\$ 272,615</u>

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

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Revenues	\$ 238,305	\$ 206,500	\$ 212,554	\$ 859,773	\$ 790,924
Cash operating expenses	84,333	72,650	72,334	297,246	272,615
Cash operating expenses margin	<u>35%</u>	<u>35%</u>	<u>34%</u>	<u>35%</u>	<u>34%</u>

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

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Cost of revenues per GAAP	\$ 67,580	\$ 61,987	\$ 60,688	\$ 249,938	\$ 222,610
Less: stock-based compensation	(613)	(532)	(636)	(2,195)	(2,415)
Less: depreciation and amortization	(24,588)	(23,527)	(20,163)	(90,440)	(72,639)
Normalized cost of revenues	<u>\$ 42,379</u>	<u>\$ 37,928</u>	<u>\$ 39,889</u>	<u>\$ 157,303</u>	<u>\$ 147,556</u>

Cash gross profit – defined as revenues, less Normalized cost of revenues

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Revenues	\$ 238,305	\$ 206,500	\$ 212,554	\$ 859,773	\$ 790,924
Normalized cost of revenues	42,379	37,928	39,889	157,303	147,556
Cash gross profit	<u>\$ 195,926</u>	<u>\$ 168,572</u>	<u>\$ 172,665</u>	<u>\$ 702,470</u>	<u>\$ 643,368</u>

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

	Three months ended			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Revenues	\$ 238,305	\$ 206,500	\$ 212,554	\$ 859,773	\$ 790,924
Cash gross profit	195,926	168,572	172,665	702,470	643,368
Cash gross margin	<u>82%</u>	<u>82%</u>	<u>81%</u>	<u>82%</u>	<u>81%</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			Year ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Purchases of property and equipment and capitalization of internal-use software development costs	\$ 29,244	\$ 31,183	\$ 20,436	\$ 108,147	\$ 115,386
Capitalization of stock-based compensation	1,755	1,373	1,978	6,280	7,436
Capital Expenditures or Capex	<u>\$ 30,999</u>	<u>\$ 32,556</u>	<u>\$ 22,414</u>	<u>\$ 114,427</u>	<u>\$ 122,822</u>

