

Akamai Technologies Inc.
Reconciliation of non-GAAP to GAAP financial measures
September 30, 2007

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 income before interest, taxes, depreciation and amortization of tangible and intangible assets, capitalized stock-related compensation amortization, stock-related compensation expense, certain gains and losses on equity investments, loss on early extinguishment of debt, release of the deferred tax asset valuation allowance, utilization of tax NOLs/credits, foreign exchange gains and losses, restructuring charges and benefits, and gains on legal settlements

	Three months ended				Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	June 30, 2006	September 30, 2007	September 30, 2006
Net income	\$ 24,264	\$ 21,646	\$ 14,019	\$ 11,264	\$ 65,089	\$ 36,778
Interest income, net	(5,913)	(5,243)	(3,970)	(3,336)	(15,888)	(9,964)
Provision for income taxes	859	548	110	664	2,205	1,265
Depreciation and amortization	15,870	14,244	8,450	7,342	41,963	22,183
Amortization of capitalized stock-related compensation	537	401	129	27	1,126	162
Amortization of intangible assets	2,835	2,932	1,943	2,198	8,579	6,437
Stock-related compensation	16,909	17,208	14,514	13,175	50,947	34,776
Utilization of tax NOLs/credits	17,833	13,437	11,154	9,178	42,971	29,096
Loss on early extinguishment of debt	2	-	-	-	3	-
Restructuring benefits	-	(178)	-	-	(178)	-
Gain on investments, net	(1)	-	-	(2)	(1)	(259)
Other (income) expense, net	(1,273)	572	448	(475)	(497)	(213)
Adjusted EBITDA	<u>\$ 71,922</u>	<u>\$ 65,567</u>	<u>\$ 46,797</u>	<u>\$ 40,035</u>	<u>\$ 196,319</u>	<u>\$ 120,261</u>

Adjusted EBITDA margin – defined as the percent of Adjusted EBITDA over revenues

	Three months ended				Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	June 30, 2006	September 30, 2007	September 30, 2006
Revenues	\$ 161,240	\$ 152,654	\$ 111,495	\$ 100,649	\$ 453,168	\$ 302,969
Adjusted EBITDA	<u>71,922</u>	<u>65,567</u>	<u>46,797</u>	<u>40,035</u>	<u>196,319</u>	<u>120,261</u>
Adjusted EBITDA gross margin	<u>45%</u>	<u>43%</u>	<u>42%</u>	<u>40%</u>	<u>43%</u>	<u>40%</u>

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

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Utilization of tax NOLs/credits	17,833	13,437	11,154	9,178	42,971	29,096
Gain on investments, net	(1)	-	-	(2)	(1)	(259)
Normalized net income	<u>\$ 62,379</u>	<u>\$ 55,446</u>	<u>\$ 41,759</u>	<u>\$ 35,840</u>	<u>\$ 168,536</u>	<u>\$ 106,990</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 per share calculations

	Three months ended				Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	June 30, 2006	September 30, 2007	September 30, 2006
Normalized net income	\$ 62,379	\$ 55,446	\$ 41,759	\$ 35,840	\$ 168,536	\$ 106,990
Interest add-back for diluted share calculation	710	710	710	710	2,130	2,130
Normalized net income for diluted earnings per share	\$ 63,089	\$ 56,156	\$ 42,469	\$ 36,550	\$ 170,666	\$ 109,120
Normalized net income per share:						
Basic	\$ 0.38	\$ 0.34	\$ 0.27	\$ 0.23	\$ 1.03	\$ 0.69
Diluted	\$ 0.34	\$ 0.30	\$ 0.24	\$ 0.20	\$ 0.91	\$ 0.61
Shares used in normalized per share calculations:						
Basic	165,474	164,798	155,739	154,702	163,947	154,753
Diluted	186,767	187,432	179,563	178,358	187,010	178,700

Diluted shares used in normalized 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				Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	June 30, 2006	September 30, 2007	September 30, 2006
Diluted common shares outstanding used in GAAP net income per share calculation	185,106	185,601	177,063	175,612	185,212	177,290
Excluding: the effect of FAS123R under the treasury stock method	1,661	1,831	2,500	2,746	1,798	1,410
Diluted common shares outstanding used in normalized net income per share calculation	<u>186,767</u>	<u>187,432</u>	<u>179,563</u>	<u>178,358</u>	<u>187,010</u>	<u>178,700</u>

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

	Three months ended				Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	June 30, 2006	September 30, 2007	September 30, 2006
GAAP operating expenses	\$ 81,658	\$ 81,935	\$ 64,750	\$ 62,161	\$ 241,236	\$ 180,771
Less: stock-related compensation	(16,013)	(16,361)	(13,997)	(12,642)	(48,465)	(33,453)
Less: amortization of intangibles	(2,835)	(2,932)	(1,943)	(2,198)	(8,579)	(6,437)
Less: depreciation and amortization	(2,279)	(1,967)	(1,306)	(1,164)	(5,917)	(3,505)
Cash operating expenses	<u>\$ 60,531</u>	<u>\$ 60,675</u>	<u>\$ 47,504</u>	<u>\$ 46,157</u>	<u>\$ 178,275</u>	<u>\$ 137,376</u>

Cash operating expenses margin - defined as a percent of cash operating expenses over revenues

	Three months ended				Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	June 30, 2006	September 30, 2007	September 30, 2006
Revenues	\$ 161,240	\$ 152,654	\$ 111,495	\$ 100,649	\$ 453,168	\$ 302,969
Cash operating expenses	60,531	60,675	47,504	46,157	178,275	137,376
Cash operating expenses margin	38%	40%	43%	46%	39%	45%

Cash gross margin – defined as the percent of cost of revenues over revenues, excluding stock-related compensation and depreciation and amortization

	Three months ended				Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	June 30, 2006	September 30, 2007	September 30, 2006
Revenues	\$ 161,240	\$ 152,654	\$ 111,495	\$ 100,649	\$ 453,168	\$ 302,969
Cost of revenues per GAAP	43,811	39,759	24,984	21,195	118,050	65,495
Less: stock-related compensation	(896)	(847)	(517)	(533)	(2,482)	(1,323)
Less: depreciation and amortization	(14,128)	(12,678)	(7,273)	(6,205)	(37,172)	(18,840)
Cost of revenues per Normalized	\$ 28,787	\$ 26,234	\$ 17,194	\$ 14,457	\$ 78,396	\$ 45,332
Cash gross margin	82%	83%	85%	86%	83%	85%

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				Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	June 30, 2006	September 30, 2007	September 30, 2006
Purchases of property and equipment and capitalization of internal-use software costs	\$ 23,326	\$ 29,692	\$ 16,451	\$ 14,227	\$ 84,561	\$ 46,852
Capitalization of stock-related compensation	1,551	1,427	1,058	1,242	4,362	2,822
Capital Expenditures or Capex	\$ 24,877	\$ 31,119	\$ 17,509	\$ 15,469	\$ 88,923	\$ 49,674