Akamai Technologies, Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
September 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 Akamai's ongoing operating results. Management also believes that these non-GAAP financial measures provide useful information to investors in understanding and evaluating Akamai'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 Akamai's GAAP financial results and should only be used as a supplement to, not as a substitute for, Akamai'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 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; acquisition related costs; certain gains and losses on investments; gain 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			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Net income	$ 79,756	$ 61,895	$ 48,231	$ 213,138	$ 135,697
Interest income, net	(1,458)	(1,477)	(1,593)	(4,543)	(4,865)
Provision for income taxes	20,918	37,426	33,280	89,521	88,366
Depreciation and amortization	40,871	36,414	46,051	111,699	127,873
Amortization of capitalized stock-based compensation	2,224	1,978	2,025	6,103	5,719
Amortization of acquired intangible assets	4,859	5,734	5,381	16,653	15,611
Stock-based compensation	24,479	24,801	22,635	72,211	69,180
Restructuring charges	69	391	—	891	14
Acquisition related costs	219	31	279	587	5,107
Gain and other activity related to divestiture of a business	1,093	(1,093)	—	(1,188)	—
Other expense (income), net	305	(341)	241	96	(449)
Adjusted EBITDA	$ 173,335	$ 165,759	$ 156,530	$ 505,168	$ 442,253

Adjusted EBITDA margin – Adjusted EBITDA stated as a percentage of revenue.

	Three Months Ended			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Revenue	$ 395,790	$ 378,106	$ 345,321	$ 1,141,942	$ 996,075
Adjusted EBITDA	173,335	165,759	156,530	505,168	442,253
Adjusted EBITDA margin	44%	44%	45%	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; acquisition related costs; certain gains and losses on investments; gain 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			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Net income	$ 79,756	$ 61,895	$ 48,231	$ 213,138	$ 135,697
Amortization of acquired intangible assets	4,859	5,734	5,381	16,653	15,611
Stock-based compensation	24,479	24,801	22,635	72,211	69,180
Amortization of capitalized stock-based compensation	2,224	1,978	2,025	6,103	5,719
Restructuring charges	69	391	—	891	14
Acquisition related costs	219	31	279	587	5,107
Gain and other activity related to divestiture of a business	1,093	(1,093)	—	(1,188)	—
Income tax-effect of above non-GAAP adjustments	(22,439)	(9,726)	(9,674)	(40,891)	(30,007)
Non-GAAP net income	$ 90,260	$ 84,011	$ 68,877	$ 267,504	$ 201,321

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			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Non-GAAP net income	$ 90,260	$ 84,011	$ 68,877	$ 267,504	$ 201,321
Non-GAAP net income per share:					
Basic	$ 0.51	$ 0.47	$ 0.39	$ 1.50	$ 1.13
Diluted	$ 0.50	$ 0.46	$ 0.38	$ 1.47	$ 1.11
Shares used in per share calculations:					
Basic	178,235	177,891	177,455	178,008	178,040
Diluted	181,922	181,388	181,053	181,623	181,738

Cash operating expenses (cash opex) – GAAP operating expenses (consisting of research and development, sales and marketing, general and administrative, amortization of acquired intangible assets and restructuring charges), excluding stock-based compensation, amortization of acquired intangible assets, depreciation and amortization, restructuring charges and acquisition and related costs, and gain and other activity related to divestiture of a business.

	Three Months Ended			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
GAAP operating expenses	$ 164,230	$ 155,898	$ 130,941	$ 466,594	$ 386,920
Less:					
Stock-based compensation	21,594	22,083	19,801	63,981	60,576
Amortization of acquired intangible assets	4,859	5,734	5,381	16,653	15,611
Depreciation and amortization	7,054	6,227	5,101	18,857	14,438
Restructuring charges	69	391	—	891	14
Acquisition related costs	219	31	279	587	5,107
Gain and other activity related to divestiture of a business, net	1,093	(1,093)	—	(1,188)	—
Cash operating expenses	$ 129,342	$ 122,525	$ 100,379	$ 366,813	$ 291,174

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

	Three Months Ended			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
GAAP cost of revenue	$ 132,039	$ 124,705	$ 134,221	$ 377,136	$ 390,406
Less:					
Stock-based compensation	2,885	2,718	2,834	8,230	8,604
Depreciation and amortization	36,041	32,165	42,975	98,945	119,154
Cash cost of revenue	$ 93,113	$ 89,822	$ 88,412	$ 269,961	$ 262,648

Cash gross profit – Revenue less cash cost of revenue.

	Three Months Ended			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Revenue	$ 395,790	$ 378,106	$ 345,321	$ 1,141,942	$ 996,075
Cash cost of revenue	93,113	89,822	88,412	269,961	262,648
Cash gross profit	$ 302,677	$ 288,284	$ 256,909	$ 871,981	$ 733,427

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

	Three Months Ended			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Revenue	$ 395,790	$ 378,106	$ 345,321	$ 1,141,942	$ 996,075
Cash gross profit	302,677	288,284	256,909	871,981	733,427
Cash gross margin	76%	76%	74%	76%	74%

Revenue, adjusted for ADS divestiture – Revenue excluding the impact of Akamai's Advertising Decision Solutions (ADS) divestiture.

	Three Months Ended			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Revenue	$ 395,790	$ 378,106	$ 345,321	$ 1,141,942	$ 996,075
Less: ADS revenue	—	—	(10,045)	(2,747)	(30,621)
Revenue, adjusted for ADS divestiture	$ 395,790	$ 378,106	$ 335,276	$ 1,139,195	$ 965,454

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

	Three Months Ended			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Purchases of property and equipment	$ 40,594	$ 58,182	$ 46,967	$ 140,094	$ 118,896
Capitalization of internal-use software development costs	20,044	18,129	13,659	55,171	39,921
Capitalization of stock-based compensation	3,069	3,245	2,561	9,252	6,694
Capital expenditure	$ 63,707	$ 79,556	$ 63,187	$ 204,517	$ 165,511

Capex margin – Capital expenditures, or capex, as a percentage of revenue.

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 – Revenue from Akamai's international operations has historically represented a significant portion of its total revenue. As a result, Akamai's revenue 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 Akamai'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 Akamai'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 Akamai'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 Akamai 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 Akamai'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 Akamai'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 – Akamai has incurred restructuring charges, 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 – Acquisition related costs include transaction fees, due diligence costs and other one-time direct costs associated with strategic activities. In addition, subsequent adjustments to Akamai'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 Akamai'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 a gain and other activity related to the divestiture of its Advertising Decisions 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 Akamai's core business operations.

Legal settlements, gains and losses on investments and losses on early extinguishment of debt – Akamai has incurred gains and losses associated with the resolution of certain legal actions, 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 Akamai's core business operations or meaningful in evaluating Akamai'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 Akamai to more properly reflect the income attributable to its core operations.