

Akamai Technologies, Inc.
Reconciliation of non-GAAP to GAAP financial measures
September 30, 2011

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, acquisition related costs and benefits, certain gains and losses on investments, foreign exchange gains and losses, loss on early extinguishment of debt and gains on legal settlements

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Net income	\$ 42,285	\$ 47,921	\$ 39,709	\$ 140,823	\$ 118,710
Interest income, net	(3,002)	(3,096)	(2,636)	(9,058)	(8,069)
Provision for income taxes	25,862	28,300	20,603	78,218	69,677
Depreciation and amortization	35,984	35,103	30,532	105,879	86,201
Amortization of capitalized stock-based compensation	1,592	1,938	1,817	5,595	5,522
Amortization of other intangible assets	4,185	4,292	4,130	12,754	12,390
Stock-based compensation	15,141	11,612	18,589	42,465	57,973
Loss on early extinguishment of debt	-	-	-	-	294
Restructuring charge	158	-	-	158	-
Acquisition related costs (benefits)	-	-	-	(440)	345
Other loss, net	188	107	1,366	1,330	1,319
Adjusted EBITDA	\$ 122,393	\$ 126,177	\$ 114,110	\$ 377,724	\$ 344,362

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

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Revenues	\$ 281,856	\$ 276,989	\$ 253,551	\$ 834,798	\$ 738,898
Adjusted EBITDA	122,393	126,177	114,110	377,724	344,362
Adjusted EBITDA margin	43%	46%	45%	45%	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, acquisition related costs and benefits, certain gains and losses on investments and loss on early extinguishment of debt

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
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Amortization of capitalized stock-based compensation	1,592	1,938	1,817	5,595	5,522
Restructuring charge	158	-	-	158	-
Acquisition related costs (benefits)	-	-	-	(440)	345
Normalized net income	\$ 63,361	\$ 65,763	\$ 64,245	\$ 201,355	\$ 195,234

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 GAAP net income per share calculations

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Normalized net income	\$ 63,361	\$ 65,763	\$ 64,245	\$ 201,355	\$ 195,234
Interest add-back for diluted share calculation	-	-	146	-	964
Normalized net income for diluted earnings per share	\$ 63,361	\$ 65,763	\$ 64,391	\$ 201,355	\$ 196,198
Normalized net income per share:					
Basic	\$ 0.35	\$ 0.35	\$ 0.35	\$ 1.09	\$ 1.11
Diluted	\$ 0.34	\$ 0.35	\$ 0.34	\$ 1.06	\$ 1.03
Shares used in per share calculations:					
Basic	183,085	186,612	181,457	185,515	175,292
Diluted	185,704	190,179	191,271	189,089	190,254

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, restructuring charges and benefits and acquisition related costs and benefits

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
GAAP operating expenses	\$ 123,239	\$ 114,110	\$ 116,697	\$ 351,486	\$ 339,841
Less: stock-based compensation	(14,507)	(11,022)	(17,887)	(40,686)	(55,863)
Less: amortization of other intangible assets	(4,185)	(4,292)	(4,130)	(12,754)	(12,390)
Less: depreciation and amortization	(4,360)	(3,888)	(4,045)	(12,379)	(11,963)
Less: restructuring charge	(158)	-	-	(158)	-
Less: acquisition related costs (benefits)	-	-	-	440	(345)
Cash operating expenses	<u>\$ 100,029</u>	<u>\$ 94,908</u>	<u>\$ 90,635</u>	<u>\$ 285,949</u>	<u>\$ 259,280</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Revenues	\$ 281,856	\$ 276,989	\$ 253,551	\$ 834,798	\$ 738,898
Cash operating expenses	100,029	94,908	90,635	285,949	259,280
Cash operating expenses margin	<u>35%</u>	<u>34%</u>	<u>36%</u>	<u>34%</u>	<u>35%</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Cost of revenues per GAAP	\$ 93,284	\$ 89,647	\$ 77,812	\$ 271,999	\$ 217,126
Less: stock-based compensation	(634)	(590)	(702)	(1,779)	(2,110)
Less: depreciation and amortization	(33,216)	(33,153)	(28,304)	(99,095)	(79,760)
Normalized cost of revenues	<u>\$ 59,434</u>	<u>\$ 55,904</u>	<u>\$ 48,806</u>	<u>\$ 171,125</u>	<u>\$ 135,256</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Revenues	\$ 281,856	\$ 276,989	\$ 253,551	\$ 834,798	\$ 738,898
Normalized cost of revenues	59,434	55,904	48,806	171,125	135,256
Cash gross profit	<u>\$ 222,422</u>	<u>\$ 221,085</u>	<u>\$ 204,745</u>	<u>\$ 663,673</u>	<u>\$ 603,642</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Revenues	\$ 281,856	\$ 276,989	\$ 253,551	\$ 834,798	\$ 738,898
Cash gross profit	222,422	221,085	204,745	663,673	603,642
Cash gross margin	<u>79%</u>	<u>80%</u>	<u>81%</u>	<u>80%</u>	<u>82%</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			Nine months ended	
	Sept. 30, 2011	June 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Purchases of property and equipment and capitalization of internal-use software development costs	\$ 47,317	\$ 42,740	\$ 42,058	\$ 136,292	\$ 143,345
Capitalization of stock-based compensation	1,941	1,641	1,918	5,406	5,597
Capital Expenditures or Capex	<u>\$ 49,258</u>	<u>\$ 44,381</u>	<u>\$ 43,976</u>	<u>\$ 141,698</u>	<u>\$ 148,942</u>