

Akamai Technologies, Inc.
Reconciliation of non-GAAP to GAAP financial measures
December 31, 2008

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, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Net income	\$ 40,533	\$ 33,360	\$ 35,878	\$ 145,138	\$ 100,967
Interest income, net	(4,862)	(4,994)	(6,841)	(21,967)	(22,729)
Provision for income taxes	1,204	1,124	1,164	4,675	3,369
Depreciation and amortization	22,583	20,279	16,688	79,964	58,651
Amortization of capitalized stock-based compensation	1,219	1,118	703	4,212	1,829
Amortization of other intangible assets	3,651	3,173	2,835	13,905	11,414
Stock-based compensation	15,529	14,122	15,608	57,899	66,555
Utilization of tax NOLs/credits	18,336	22,434	20,898	84,722	63,869
Loss on early extinguishment of debt	-	-	-	-	3
Restructuring charge (benefit)	2,509	-	-	2,509	(178)
Loss (gain) on investments, net	430	(1)	(23)	157	(24)
Other income, net	(801)	(154)	(30)	(461)	(527)
Adjusted EBITDA	<u>\$ 100,331</u>	<u>\$ 90,461</u>	<u>\$ 86,880</u>	<u>\$ 370,753</u>	<u>\$ 283,199</u>

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

	Three months ended			Year ended	
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Revenues	\$ 212,554	\$ 197,347	\$ 183,238	\$ 790,924	\$ 636,406
Adjusted EBITDA	<u>100,331</u>	<u>90,461</u>	<u>86,880</u>	<u>370,753</u>	<u>283,199</u>
Adjusted EBITDA margin	<u>47%</u>	<u>46%</u>	<u>47%</u>	<u>47%</u>	<u>44%</u>

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

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Restructuring charge (benefit)	2,509	-	-	2,509	(178)
Utilization of tax NOLs/credits	18,336	22,434	20,898	84,722	63,869
Loss (gain) on investments, net	430	(1)	(23)	157	(24)
Normalized net income	<u>\$ 82,207</u>	<u>\$ 74,206</u>	<u>\$ 75,899</u>	<u>\$ 308,542</u>	<u>\$ 244,435</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 net income per share calculations

	Three months ended			Year ended	
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Normalized net income	\$ 82,207	\$ 74,206	\$ 75,899	\$ 308,542	\$ 244,435
Interest add-back for diluted share calculation	696	696	710	2,782	2,840
Normalized net income for diluted earnings per share	\$ 82,903	\$ 74,902	\$ 76,609	\$ 311,324	\$ 247,275
Normalized net income per share:					
Basic	\$ 0.49	\$ 0.44	\$ 0.46	\$ 1.84	\$ 1.50
Diluted	<u>\$ 0.44</u>	<u>\$ 0.40</u>	<u>\$ 0.41</u>	<u>\$ 1.66</u>	<u>\$ 1.32</u>
Shares used in normalized net income per share calculations:					
Basic	168,843	168,474	164,768	167,673	162,959
Diluted	186,489	188,349	186,674	187,382	186,709

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 FAS123R under the treasury stock method in normalized net income per share calculation

	Three months ended			Year ended	
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Diluted common shares outstanding used in GAAP net income per share calculation	186,694	187,769	185,294	186,685	185,094
Excluding: the effect of FAS123R under the treasury stock method	(205)	580	1,380	697	1,615
Diluted common shares outstanding used in normalized net income per share calculation	<u>186,489</u>	<u>188,349</u>	<u>186,674</u>	<u>187,382</u>	<u>186,709</u>

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, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
GAAP operating expenses	\$ 97,026	\$ 88,919	\$ 82,798	\$ 356,050	\$ 324,034
Less: stock-based compensation	(14,893)	(13,508)	(14,741)	(55,484)	(63,206)
Less: amortization of other intangible assets	(3,651)	(3,173)	(2,835)	(13,905)	(11,414)
Less: depreciation and amortization	(3,639)	(2,914)	(2,439)	(11,537)	(8,356)
Less: restructuring charges and benefits	(2,509)	-	-	(2,509)	178
Cash operating expenses	<u>\$ 72,334</u>	<u>\$ 69,324</u>	<u>\$ 62,783</u>	<u>\$ 272,615</u>	<u>\$ 241,236</u>

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

	Three months ended			Year ended	
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Revenues	\$ 212,554	\$ 197,347	\$ 183,238	\$ 790,924	\$ 636,406
Cash operating expenses	<u>72,334</u>	<u>69,324</u>	<u>62,783</u>	<u>272,615</u>	<u>241,236</u>
Cash operating expenses margin	<u>34%</u>	<u>35%</u>	<u>34%</u>	<u>34%</u>	<u>38%</u>

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

	Three months ended			Year ended	
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Cost of revenues per GAAP	\$ 60,688	\$ 56,659	\$ 49,394	\$ 222,610	\$ 167,444
Less: stock-based compensation	(636)	(614)	(867)	(2,415)	(3,349)
Less: depreciation and amortization	(20,163)	(18,483)	(14,952)	(72,639)	(52,124)
Cost of revenues per Normalized	<u>\$ 39,889</u>	<u>\$ 37,562</u>	<u>\$ 33,575</u>	<u>\$ 147,556</u>	<u>\$ 111,971</u>

Cash gross profit – defined as revenues, less cost of revenues per normalized

	Three months ended			Year ended	
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Revenues	\$ 212,554	\$ 197,347	\$ 183,238	\$ 790,924	\$ 636,406
Cost of revenues per Normalized	<u>39,889</u>	<u>37,562</u>	<u>33,575</u>	<u>147,556</u>	<u>111,971</u>
Cash gross profit	<u>\$ 172,665</u>	<u>\$ 159,785</u>	<u>\$ 149,663</u>	<u>\$ 643,368</u>	<u>\$ 524,435</u>

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

	Three months ended			Year ended	
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Revenues	\$ 212,554	\$ 197,347	\$ 183,238	\$ 790,924	\$ 636,406
Cash gross profit	<u>172,665</u>	<u>159,785</u>	<u>149,663</u>	<u>643,368</u>	<u>524,435</u>
Cash gross margin	<u>81%</u>	<u>81%</u>	<u>82%</u>	<u>81%</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			Year ended	
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Purchases of property and equipment and capitalization of internal-use software development costs	\$ 20,436	\$ 36,428	\$ 15,916	\$ 115,386	\$ 100,477
Capitalization of stock-based compensation	1,978	1,867	1,991	7,436	6,353
Capital Expenditures or Capex	<u>\$ 22,414</u>	<u>\$ 38,295</u>	<u>\$ 17,907</u>	<u>\$ 122,822</u>	<u>\$ 106,830</u>