

Akamai Technologies Inc.**Reconciliation of non-GAAP to GAAP financial measures****March 31, 2004**

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 (loss) before interest, taxes, depreciation, amortization, equity-related compensation, restructuring charges and benefits, certain gains and losses on equity investments and loss on early extinguishment of debt

Adjusted EBITDA	Three months ended		
	March 31, 2004	December 31, 2003	March 31, 2003
Net income (loss)	\$ 2,921	\$ (2,079)	\$ (8,647)
Interest expense, net	3,158	4,183	4,228
Provision for income taxes	84	351	73
Depreciation	6,044	8,125	15,248
Amortization of intangible assets	12	12	2,198
Restructuring benefits	-	-	(9,820)
Equity-related compensation	533	1,518	2,971
Loss on early extinguishment of debt	2,018	2,097	-
(Gain) loss on investments, net	(11)	-	15
Adjusted EBITDA	<u>\$ 14,759</u>	<u>\$ 14,207</u>	<u>\$ 6,266</u>

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

Adjusted EBITDA margin	Three months ended		
	March 31, 2004	December 31, 2003	March 31, 2003
Revenue	\$ 48,367	\$ 45,169	\$ 36,564
Adjusted EBITDA	<u>14,759</u>	<u>14,207</u>	<u>6,266</u>
Adjusted EBITDA margin	<u>31%</u>	<u>31%</u>	<u>17%</u>

Normalized net income (loss) – defined as net income (loss) before amortization on intangible assets, equity-related compensation, restructuring charges, benefits and certain gains and losses on equity investments, and loss on early extinguishment of debt

Normalized net income (loss)	Three months ended		
	<u>March 31, 2004</u>	<u>December 31, 2003</u>	<u>March 31, 2003</u>
Net income (loss)	\$ 2,921	\$ (2,079)	\$ (8,647)
Amortization of intangible assets	12	12	2,198
Restructuring benefits	-	-	(9,820)
Equity-related compensation	533	1,518	2,971
Loss on early extinguishment of debt	2,018	2,097	-
(Gain) loss on investments, net	<u>(11)</u>	<u>-</u>	<u>15</u>
Normalized net income (loss)	<u>\$ 5,473</u>	<u>\$ 1,548</u>	<u>\$ (13,283)</u>

Normalized net income (loss) per share – defined as normalized net income (loss) divided by the weighted average common shares outstanding

Normalized net income (loss) per share	Three months ended		
	<u>March 31, 2004</u>	<u>December 31, 2003</u>	<u>March 31, 2003</u>
Normalized net income (loss)	\$ 5,473	\$ 1,548	\$ (13,283)
Weighted-average common shares outstanding	<u>122,104</u>	<u>120,198</u>	<u>116,398</u>
Normalized net income (loss) per share	<u>\$ 0.04</u>	<u>\$ 0.01</u>	<u>\$ (0.11)</u>

Cash cost of revenue or Network costs (excluding depreciation, amortization and equity related compensation) - defined as cost of revenue less depreciation, amortization and equity-related compensation

Network costs (excluding depreciation, amortization and equity-related compensation)

	Three months ended		
	March 31, 2004	December 31, 2003	March 31, 2003
Cost of revenue	\$ 12,215	\$ 13,123	\$ 17,885
Less: Depreciation and impairment of network-related equipment and amortization of internal-use software	4,519	5,803	10,890
Less: Equity-related compensation for employees who operate the network	3	43	129
Network costs (excluding depreciation, amortization and equity-related compensation)	<u>\$ 7,693</u>	<u>\$ 7,277</u>	<u>\$ 6,866</u>

Cash gross profit - defined as gross profit before network-related depreciation, amortization of internal-use software and equity-related compensation

Cash gross profit

	Three months ended		
	March 31, 2004	December 31, 2003	March 31, 2003
Revenue	\$ 48,367	\$ 45,169	\$ 36,564
Less: Network costs, excluding depreciation, amortization and equity-related compensation	7,693	7,277	6,866
Cash gross profit	<u>\$ 40,674</u>	<u>\$ 37,892</u>	<u>\$ 29,698</u>

Cash gross margin - defined as the percent of cash gross profit over revenue

Cash gross margin

	Three months ended		
	March 31, 2004	December 31, 2003	March 31, 2003
Revenue	\$ 48,367	\$ 45,169	\$ 36,564
Cash gross profit	<u>40,674</u>	<u>37,892</u>	<u>29,698</u>
Cash gross margin	<u>84%</u>	<u>84%</u>	<u>81%</u>

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

Cash operating expenses (excluding equity-related compensation, amortization and depreciation allocation)	Three months ended		
	<u>March 31, 2004</u>	<u>December 31, 2003</u>	<u>March 31, 2003</u>
Operating expenses:			
Research and development	\$ 2,656	\$ 2,473	\$ 2,445
Sales and marketing	13,681	12,215	10,109
General and administrative	<u>9,578</u>	<u>8,997</u>	<u>10,878</u>
Cash operating expenses	<u>\$ 25,915</u>	<u>\$ 23,685</u>	<u>\$ 23,432</u>
Cash gross profit	\$ 40,674	\$ 37,892	\$ 29,698
Less: Cash operating expenses	<u>25,915</u>	<u>23,685</u>	<u>23,432</u>
Adjusted EBITDA	<u>\$ 14,759</u>	<u>\$ 14,207</u>	<u>\$ 6,266</u>

Capex or Capital expenditures - defined as purchases of property and equipment and capitalization of internal-use software development costs

Capex or Capital Expenditures	Three months ended		
	<u>March 31, 2004</u>	<u>December 31, 2003</u>	<u>March 31, 2003</u>
Purchases of property and equipment and capitalization of internal-use software	<u>\$ 3,042</u>	<u>\$ 2,712</u>	<u>\$ 2,202</u>