SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2000.

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

COMMISSION FILE NUMBER 0-27275

AKAMAI TECHNOLOGIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	04-3432319
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

500 TECHNOLOGY SQUARE
CAMBRIDGE, MA 02139
(617) 250-3000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

The number of shares outstanding of the registrant's Common Stock as of July 31, 2000: 106,391,946 shares.

AKAMAI TECHNOLOGIES, INC.

FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2000

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AKAMAI TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)
(unaudited)

	DECEMBER 31, 1999	JUNE 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$269,554	$ 354,540
Short-term investments	--	161,133
Accounts receivable, net of allowance for doubtful accounts of $70 and $616 as of December 31, 1999 and June 30, 2000, respectively	1,588	11,650
Prepaid expenses and other current assets	2,521	10,472
Total current assets	273,663	537,795
Property and equipment, net	23,875	92,563
Intangible assets, net	434	2,656,074
Long-term investments	--	17,558
Other assets	2,843	31,823
Total assets	$300,815	$3,335,813
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 8,987	$ 29,212
Accrued expenses	2,083	6,031
Accrued payroll and benefits	3,614	8,973
Deferred revenue	698	4,437
Current portion of obligations under capital lease and equipment loan	504	1,023
Current portion of long-term debt	2,751	--
Total current liabilities	18,637	49,676
Convertible subordinated notes	--	300,000
Obligations under capital leases and equipment loan, net of current portion	733	901
Other liabilities	--	523
Total liabilities	19,370	351,100
Stockholders' equity:		
Preferred stock, $0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding at December 31, 1999 and June 30, 2000	--	--
Common stock, $0.01 par value; 700,000,000 shares authorized; 92,498,525 issued and outstanding at December 31, 1999; 105,872,650 shares issued and outstanding at June 30, 2000	925	1,058
Additional paid-in capital	374,739	3,353,006
Notes receivable from officers for stock	(5,907)	(6,306)
Deferred compensation	(29,731)	(26,559)
Accumulated other comprehensive income	--	728
Accumulated deficit	(58,581)	(337,214)
Total stockholders' equity	281,445	2,984,713
Total liabilities and stockholders' equity	$300,815	$3,335,813

The accompanying notes are an integral part of these consolidated financial statements.

AKAMAI TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)
(unaudited)

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	1999	2000	1999	2000
Revenue	$ 404	$ 18,144	$ 404	$ 25,366
Operating expenses:				
Cost of service	1,222	12,647	1,408	19,283
Engineering and development (excludes $127, $590, $187 and $1,697, respectively, of equity-related compensation disclosed separately below)	1,299	12,931	2,054	19,846
Sales, general and administrative (excludes $333, $8,831, $1,151 and $9,913, respectively, of equity-related compensation disclosed separately below)	4,130	39,662	5,220	61,124
Amortization of intangible assets	12	189,080	23	198,080
Acquired in-process research and development	--	1,372	--	1,372
Equity-related compensation	460	9,421	1,338	11,610
Total operating expenses	7,123	265,113	10,043	311,315
Operating loss	(6,719)	(246,969)	(9,639)	(285,949)
Interest income (expense), net	(177)	3,803	(144)	7,428
Loss before provision for income taxes	(6,896)	(243,166)	(9,783)	(278,521)
Provision for income taxes	--	70	--	112
Net loss	(6,896)	(243,236)	(9,783)	(278,633)
Dividends and accretion to preferred stock redemption value	291	--	295	--
Net loss attributable to common stockholders	$(7,187)	$(243,236)	$(10,078)	$(278,633)
Basic and diluted net loss per share	$ (0.34)	$ (2.78)	$ (0.53)	$ (3.43)
Weighted average common shares outstanding	21,166	87,374	18,891	81,251

The accompanying notes are an integral part of these consolidated financial statements.

AKAMAI TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(unaudited)

	FOR THE SIX MONTHS ENDED JUNE 30,	
	1999	2000
Cash flows from operating activities:		
Net loss	$(9,783)	$(278,633)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	571	208,447
Amortization of deferred compensation	1,339	11,611
Interest on notes receivable from officers for stock	--	(171)
Amortization of discount on senior subordinated notes and equipment loan	133	--
Loss on disposal of fixed assets	22	--
Acquired in-process research and development	--	1,372
Changes in operating assets and liabilities, net of effects of acquired businesses:		
Accounts receivable, net	(395)	(3,991)
Prepaid expenses and other current assets	(388)	(7,638)
Accounts payable and accrued expenses	3,594	15,670
Deferred revenue	--	3,076
Other noncurrent asset and liabilities	--	765
Net cash used in operating activities	(4,907)	(49,492)
Cash flows from investing activities:		
Purchases of property and equipment	(5,308)	(55,624)
Cash acquired from the acquisition of businesses, net of cash paid	--	17,466
Purchase of investments	(475)	(277,588)
Proceeds from sales and maturities of investments	--	147,777
Net cash used in investing activities	(5,783)	(167,969)
Cash flows from financing activities:		
Proceeds from the issuance of convertible subordinated notes, net of offering costs	--	290,500
Proceeds from the issuance of senior subordinated notes, net of offering costs	14,970	--
Proceeds from equipment financing loan	1,500	--
Proceeds from the issuance of Series B convertible preferred stock, net	19,875	--
Payments on capital leases and equipment financing loan	(174)	(273)
Payment on the senior subordinated notes	--	(2,751)
Proceeds from the issuance of common stock under stock option and employee stock purchase plans	--	14,977
Proceeds from the issuance of Series D convertible preferred stock, net	12,475	--
Proceeds from the issuance of common stock upon the exercise of warrants	--	10
Proceeds from the issuance of restricted common stock	293	--
Net cash provided by financing activities	48,939	302,463
Effects of exchange rate translation on cash and cash equivalents	--	(16)
Net increase in cash and cash equivalents	38,249	84,986
Cash and cash equivalents, beginning of the period	6,580	269,554
Cash and cash equivalents, end of the period	$44,829	$ 354,540

The accompanying notes are an integral part of these consolidated financial statements.

AKAMAI TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. NATURE OF BUSINESS

Akamai Technologies, Inc. ("Akamai" or the "Company") provides global delivery services for Internet content, streaming media and applications, and global Internet traffic management services. Our services improve the speed, quality, reliability and scaleability of Web sites. Akamai's services deliver customers' Internet content, streaming media and applications through a distributed worldwide server network that locates the content geographically closer to users.

The Company has a single operating segment: global delivery services for Internet content, streaming media and applications and global Internet traffic management services. The Company has no organizational structure dictated by product lines, geography or customer type. Substantially all revenue earned to date has been generated from U.S. based customers.

2. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared by the Company and reflect all adjustments, consisting only of normal recurring adjustments, which in the opinion of management are necessary for a fair statement of the results for the interim periods. The consolidated financial statements have been prepared in accordance with the regulations of the Securities and Exchange Commission ("SEC"), but omit certain information and footnote disclosure necessary to present the statements in accordance with generally accepted accounting principles for annual financial statements. Results for the interim periods are not necessarily indicative of results for the entire fiscal year. These statements should be read in conjunction with the consolidated financial statements and related footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

The consolidated financial statements include the accounts of Akamai and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents consist of cash held in bank deposit accounts and short-term, highly liquid investments with original maturities of three months or less at the date of purchase. Cash equivalents are carried at cost, which approximates fair market value. Short-term investments consist of high quality corporate and governmental securities, which have original maturities of more than three months at the date of purchase and less than one year from the date of the balance sheet, and equity investments in public companies. Long-term investments consist of high quality corporate and government securities with maturities of more than one year from the balance sheet and equity investments in private companies. The Company classifies all debt securities and equity securities with readily determinable market values as "available-for-sale" in accordance with Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." These investments are carried at fair market value with any unrealized gain or loss recorded as a separate element of stockholders' equity. Investments in equity securities with no readily determinable fair value are carried at cost.

AKAMAI TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(unaudited)

4. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consist of the following (in thousands):

	DECEMBER 31, 1999	JUNE 30, 2000	ESTIMATED USEFUL LIVES IN YEARS
Goodwill	$ --	$2,808,455	3
Completed technology	--	28,130	3
Assembled workforce	--	12,234	2-3
Trademarks and tradenames	--	4,901	3
Acquired license rights	490	490	10
	490	2,854,210	
Less accumulated amortization	56	198,136	
	$434	$2,656,074	

Goodwill and other intangible assets will be amortized as follows (in millions):

Six months ending December 31, 2000	$ 476
2001	953
2002	953
2003	274
Total	$2,656

5. NET LOSS PER SHARE

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted average number of common shares outstanding during the period, plus the dilutive effect of potential common stock. Potential common stock consists of convertible preferred stock, unvested restricted common stock, stock options and warrants, convertible subordinated notes and contingently issuable stock. All potential common stock has been excluded from the calculation of diluted loss per share since its inclusion would be anti-dilutive.

The following table sets forth potential common stock excluded from the calculation of earnings per share:

	AS OF JUNE 30,	
	1999	2000
Stock options	9,116,000	19,235,704
Unvested restricted common stock	19,950,804	14,360,695
Convertible preferred stock	32,215,694	--
Warrants	2,075,100	2,283,732
Convertible subordinated notes	--	2,598,074
Contingently issuable stock (Note 9)	--	44,477

AKAMAI TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(unaudited)

6. COMPREHENSIVE LOSS

The following table presents the calculation of comprehensive loss and its components for the three and six months ended June 30, 1999 and 2000 (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	2000	1999	2000
Net loss	$(7,187)	$(243,236)	$(10,078)	$(278,633)
Other comprehensive income (loss):				
Foreign currency translation adjustment	--	(10)	--	(15)
Unrealized gain (loss) on securities	--	(5,977)	--	743
Comprehensive loss	$(7,187)	$(249,223)	$(10,078)	$(277,905)

7. ACQUISITIONS

NETWORK24 COMMUNICATIONS, INC.

In February 2000, the Company acquired all of the outstanding common and preferred stock of Network24 Communications Inc. ("Network24") in exchange for 620,872 shares of Akamai common stock and $12.5 million in cash. Akamai also issued options and warrants exercisable for 195,862 shares of Akamai common stock in exchange for all outstanding options and warrants exercisable for Network24 common stock. Network24 is a provider of Internet broadcasting application services. The value of the acquisition was $203.6 million based on the fair value of the consideration paid plus direct acquisition costs. The acquisition has been accounted for using the purchase method. Accordingly, the results of operations of Network24 subsequent to February 10, 2000 have been included in Akamai's statements of operations for the three and six months ended June 30, 2000. The purchase price allocation is as follows:

	(IN MILLIONS)
Tangible net assets	$ 2.7
Intangible assets acquired:	
Completed technology	6.8
Assembled workforce	1.5
Trademarks and tradenames	1.4
Goodwill	191.2
Total purchase price allocation	$203.6

Goodwill and other intangibles are being amortized on a straight-line basis over estimated useful lives of three years (see Note 4).

INTERVU INC.

In April 2000, the Company acquired all of the outstanding common and preferred stock of INTERVU Inc. ("INTERVU") in exchange for 10.0 million shares of Akamai common stock. Akamai also issued options and warrants exercisable for 2.2 million shares of Akamai common stock in exchange for all outstanding options and warrants exercisable for INTERVU common stock. INTERVU is a service provider for Internet audio and video delivery solutions. The acquisition was accounted for as a purchase. Accordingly, the results of operations of INTERVU subsequent to April 20, 2000 have been included in Akamai's statements of operations for the three and six months ended June 30, 2000. The total purchase price of

$2.8 billion includes the fair market value of Akamai stock and options issued of $2.6 billion and estimated direct transaction costs of $19.0 million. The preliminary purchase price allocation is as follows:

	(IN MILLIONS)
Tangible net assets	$ 130.4
Intangible assets acquired:	
Completed technology	21.4
Assembled workforce	10.7
Trademarks and tradenames	3.5
In-process research and development	1.4
Goodwill	2,617.3
Total purchase price allocation	$2,784.7

Tangible net assets acquired include cash, short-term and long-term investments, accounts receivable, fixed assets (including an adjustment to write-down property and equipment to fair value of $23.0 million), and prepaid advertising (see Note 9). Liabilities assumed include accounts payable, accrued compensation and accrued expenses. Goodwill and other intangibles are being amortized on a straight-line basis over estimated useful lives of two to three years (see Note 4).

A portion of the purchase price was allocated to acquired in-process research and development ("IPR&D") and completed technology. Completed technology and IPR&D were identified and valued through interviews and analysis of data provided by management regarding products under development. Developmental projects that had reached technological feasibility were classified as completed technology and will be amortized over three years. Projects that had not reached technological feasibility and had no future alternative uses were classified as IPR&D and charged to expense on the date of the acquisition. The value of IPR&D was determined considering the project's stage of completion, the time and resources needed for completion, the contribution of core technology, and the projected discounted cash flows of completed products. The discount rate was determined considering Akamai's weighted average cost of capital and the risks surrounding the successful completion of the projects under development.

The summary table below, prepared on an unaudited pro forma basis, combines the Company's consolidated results of operations with Network24's and INTERVU's results of operations as if each company had been acquired as of January 1, 1999 (in thousands, except per share data).

	SIX MONTHS ENDED JUNE 30,	
	1999	2000
Revenue	$ 4,142	$ 32,052
Net loss	(496,581)	(567,823)
Loss per share	(16.81)	(6.49)

The pro forma results are not necessarily indicative of what would have occurred if the acquisitions had been in effect for the periods presented. In addition, they are not intended to be a projection of future results and do not reflect any synergies that might be achieved from combined operations.

8. CONVERTIBLE SUBORDINATED NOTES

In June 2000, Akamai issued $300.0 million of 5 1/2% Convertible Subordinated Notes due July 1, 2007 (the "Convertible Notes") for aggregate net proceeds of approximately $290.5 million (net of offering expense of $9.5 million). The Company expects to use the net proceeds for anticipated working capital and

general corporate purposes, including new service offerings and potential acquisitions of complementary businesses, products and technologies. The Convertible Notes are due July 1, 2007, and are convertible at any time following the date of original issuance into the Company's common stock at a conversion price of $115.47 per share (equivalent to 8.6603 shares of common stock per $1,000 principal amount of Convertible Notes), subject to adjustment in certain events. The Company can redeem the Convertible Notes on or after July 3, 2003 at the Company's option. In the event of a change of control, Akamai may be required to repurchase all or a portion of the Convertible Notes at a repurchase price of 100% of the principal amount plus accrued interest. Interest on the Convertible Notes accrues as of the issue date and is payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2001. The Convertible Notes are unsecured obligations and are subordinated to all existing and future senior indebtedness and effectively rank junior to all secured debts and to all of the existing and future debts and other liabilities of the Company's subsidiaries.

9. CNN NEWS GROUP STRATEGIC ALLIANCE

On November 11, 1999, INTERVU, which the Company acquired in April 2000 (see Note 7), entered a strategic alliance with the CNN News Group ("CNN"). In accordance with the agreement, INTERVU issued common stock valued at $20 million to CNN. In return, CNN agreed to provide INTERVU with three years of on-air and online advertising and promotional opportunities across CNN's properties. As part of its purchase price allocation, Akamai estimated the fair value of these services to be $19.2 million. This amount has been recorded in Other Assets and will be amortized over the remaining life of the agreement (approximately 28 months) to advertising expense. In addition, for a fee INTERVU agreed to be CNN's exclusive provider of Internet video management and delivery services and deliver audio streaming services. Following the first anniversary of the agreement, if the market value of the Company's common stock prior to the end of any fiscal quarter falls below $33.60 per share, the Company will be obligated to issue a letter of credit in an amount not to exceed $10.0 million, with the actual amount calculated on the basis of the number of shares held by CNN at the time and the remaining number of days in the term of the agreement. In addition, the Company may become obligated to pay CNN up to $10 million in cash or common stock, at the Company's option, if CNN holds the shares for three years and the price per share of common stock does not increase by 1.5 times the initial price at the effective date of the agreement. At the time of the acquisition, the Company estimated the fair value of the guaranteed return to CNN using the Black Scholes option pricing model, and determined its value to be approximately $7 million, which was included in the purchase price of INTERVU. Either party may terminate the contract at any time for material breach by the other party that remains uncured or the other party's bankruptcy or similar adverse condition. In the event the agreement is terminated by CNN, CNN is required to pay the Company as of the date of the termination notice the value of the undelivered services purchased under the agreement. In the event the agreement is terminated by the Company because CNN engages another party to provide Internet video management and delivery services, CNN is required to pay the Company as of the date of the termination (i) the value of the undelivered services purchased under the agreement and (ii) a breakup fee of $3,000,000 initially that declines to zero over the term of the agreement.

10. RECENT ACCOUNTING PRONOUNCEMENTS

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," as amended by SAB No. 101A and 101B, which is effective no later than the quarter ending December 31, 2000. SAB No. 101 clarifies the SEC's views regarding the recognition of revenue. Akamai will adopt SAB No. 101 in the fourth quarter of 2000. Akamai does not expect the application of SAB No. 101 to have a significant impact on its financial position or results of operations.

AKAMAI TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(unaudited)

In March 2000, the Financial Accounting Standard Board issued FASB Interpretation ("FIN") No. 44, "Accounting for Certain Transactions Involving Stock Compensation -- an Interpretation of APB Opinion No. 25." FIN No. 44 primarily clarifies (a) the definition of an employee for purposes of applying APB Opinion No. 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of various modifications to the terms of previously fixed stock options or awards, and (d) the accounting for an exchange of stock compensation awards in a business combination. FIN No. 44 is effective July 1, 2000, but certain conclusions in FIN No. 44 cover specific events that occurred after either December 15, 1998 or January 12, 2000. Akamai does not expect the application of FIN No. 44 to have a significant impact on its financial position or results of operations.

11. SUBSEQUENT EVENT

In July 2000, the Company acquired all of the outstanding common and preferred stock of CallTheShots Inc. ("CTS"), in exchange for a combination of Akamai common stock and cash. The purchase price is estimated to be approximately $6 million based on the fair value of the consideration paid plus direct acquisition costs. The acquisition will be accounted for as a purchase. CTS develops services that enable Web site visitors to personalize their interaction with such site.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. For this purpose, statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve risks and uncertainties and are not guarantees of future performance. Actual results may differ materially from those indicated in such forward-looking statements as a result of certain factors including, but not limited to, those set forth under the heading "Factors Affecting Future Operating Results."

OVERVIEW

We provide global delivery services for Internet content, streaming media and applications, and global Internet traffic management services. Our services improve the speed, quality, availability, reliability and scalability of Web sites. Our services deliver our customers' Internet content, streaming media and applications through a distributed worldwide server network, which locates the content and applications geographically closer to users. As of June 30, 2000, we had approximately 2,100 signed customers, including 895 customers under recurring contract.

Since our inception, we have incurred significant losses, and as of June 30, 2000, we had an accumulated deficit of $337.2 million. We have not achieved profitability on a quarterly or an annual basis, and anticipate that we will continue to incur net losses. We expect to incur significant engineering and development and sales, general and administrative expenses and, as a result, we will need to generate significant revenue to achieve and maintain profitability.

In the first quarter of 2000, we entered into agreements to acquire all the outstanding common and preferred stock of Network24 Communications Inc. ("Network24") and INTERVU Inc. ("INTERVU"). We acquired both of these companies to accelerate market leadership in streaming media. The Network24 acquisition was consummated on February 10, 2000 in exchange for 620,872 shares of our common stock and $12.5 million in cash. We also issued options and warrants exercisable for 195,862 shares of our common stock in exchange for all outstanding options and warrants exercisable for Network24 common stock. The INTERVU acquisition was consummated on April 20, 2000 in exchange for 10.0 million shares of our common stock. We also issued options and warrants exercisable for 2.2 million shares of our common stock in exchange for all outstanding options and warrants exercisable for INTERVU common stock. We have included the results of operations of Network24 subsequent to February 10, 2000 and INTERVU subsequent to April 20, 2000 in our statements of operations for the three and six months ended June 30, 2000. Both acquisitions are accounted for using the purchase method of accounting.

In connection with the Network24 and INTERVU acquisitions, we expect amortization expense for the next four years as follows (in millions):

YEAR ENDING DECEMBER 31,	
2000	$674
2001	953
2002	953
2003	274

We derive our revenue from the sale of our services under contracts with terms typically ranging from 12 to 24 months. We recognize revenue primarily based on fees for the amount of Internet content delivered through our services. These contracts also provide for minimum monthly fees. Customers are typically billed monthly in advance for minimums and monthly in arrears for usage above the minimums. We also derive revenue for implementation, installation, usage and other fees that are recognized over the period of the related contracts or customer relationships.

To date, substantially all of our revenue has been derived from customers based in the United States. We expect that revenue from customers based outside the United States will increase in future periods. To date, substantially all of our revenue has been derived from direct sales; however, we expect that revenue through indirect distribution channels will increase in future periods. Sales to Apple Computer represented 22% and 18% of our revenue for the year ended December 31, 1999 and the six months ended June 30, 2000, respectively. Sales to Yahoo! represented 13% of our revenue for the year ended December 31, 1999. Sales to Apple Computer represented 17% of our revenue for the three months ended June 30, 2000.

Cost of services consists of fees paid to network providers for bandwidth, depreciation of network equipment used in providing our services and monthly fees paid to third-party network data centers for housing our servers. We enter into contracts for bandwidth with third-party network providers with terms typically ranging from six months to three years. These contracts may commit us to minimum monthly fees plus additional fees for bandwidth usage above our contracted level or may commit us to share with the third-party network providers a portion of the revenue we recognize from customers that use these third-party networks. Under our accelerated networks program, we provide use of our servers to smaller Internet service providers which, in turn, provide us with rack space for our servers and access to their bandwidth. We do not recognize as revenue any value to the Internet service providers associated with the use of our servers and do not expense the value of the rack space and bandwidth we receive. We believe that, to date, the value provided under this program has been insignificant. We expect our cost of service to increase as we continue to deploy our network.

Engineering and development expenses consist primarily of salaries and related personnel costs and costs related to the design, development, testing, deployment and enhancement of our services and our network. We have to date expensed our engineering and development costs as incurred. We believe that research and development is critical to our strategic product development objectives and intend to continue to enhance our technology to meet the changing requirements of the market demand. As a result, we expect our engineering and development expenses to increase in the future.

Sales, general and administrative expenses consist primarily of salaries and related costs of sales and marketing, operations and finance personnel and recruiting expenses, professional fees and legal and accounting services. We expect that sales, general and administrative expenses will increase in the future as we hire additional personnel, expand our operations, initiate additional marketing programs, establish sales offices in new locations and incur additional costs related to the growth of our business and our operations as a public company.

Amortization of intangible assets consists primarily of the amortization of intangible assets acquired in business combinations, including goodwill. Acquired in-process research and development consists of a nonrecurring charge for the value of developmental projects that had not reached technological feasibility and had no alternative future use.

RESULTS OF OPERATIONS

Revenue. Revenue was $404,000 for the three and six months ended June 30, 1999. Revenue for the three and six months ended June 30, 2000 was $18.1 million and $25.4 million, respectively. The increase in revenue in the second quarter over the comparable period in the prior year was due to the commercial introduction of our services in April 1999. Revenue increased 151% in the second quarter of 2000 from the first quarter of 2000. The increase in revenue from the first quarter was due to the growth of our customer base, in part due to the acquisition of businesses, the introduction of new services, and the expansion of our reseller channel. We expect quarterly revenue to increase in the future. However, the rate of revenue growth could vary from quarter to quarter due to many factors.

Cost of Services. Cost of services expense was $1.2 million and $1.4 million for the three and six months ended June 30, 1999, respectively, and represented 17% and 14% of total operating expenses for the respective periods. Cost of services expense was $12.6 million and $19.3 million for the three and six months ended

June 30, 2000, respectively, and represented 5% and 6% of total operating expenses for the respective periods. Cost of services expenses were 17% of operating expenses before the amortization of intangible assets for the three and six months ended June 30, 2000. The increase in cost of services expense in dollars for each of the three and six month periods in 2000 compared to the comparable periods in the prior year was due to commencement of testing of our FreeFlow service in early 1999 and the commercial introduction of services in April 1999. Gross margins, defined as revenue less cost of services, were negative for the six months ended June 30, 1999 largely due to the fixed cost of building a network of servers. Gross margins were positive for the quarter ended June 30, 2000 due to an increase in the number of customers and volume of revenue relative to the growth in network infrastructure. While gross margins are expected to increase over time, fluctuations are possible as fixed costs increase due to the rapid expansion of our global network of servers.

Engineering and Development. Engineering and development expenses were $1.3 million and $2.1 million for the three and six months ended June 30, 1999, respectively, and represented 18% and 20% of total operating expenses for the respective periods. Engineering and development expenses were $12.9 million and $19.8 million for the three and six months ended June 30, 2000, respectively, and represented 5% and 6% of total operating expenses for the respective periods. Engineering and development expenses were 17% and 18% of operating expenses before the amortization of intangible assets for the three and six months ended June 30, 2000, respectively. The increase in engineering and development expenses in the three and six month periods over the comparable periods in the prior year was attributable to personnel and payroll related expenses resulting from an increase in headcount. We expect engineering and development expenses to increase in the future as we continue to invest in new technology.

Sales, General and Administrative. Sales, general and administrative expenses were $4.1 million and $5.2 million for the three and six months ended June 30, 1999, respectively, and represented 58% and 52% of total operating expenses for the respective periods. Sales, general and administrative expenses for the three and six months ended June 30, 2000 were $39.7 million and $61.1 million, respectively, and represented 15% and 20% of total operating expenses for the respective periods. Sales, general and administrative expenses were 52% and 54% of operating expenses before the amortization of intangible assets for the three and six months ended June 30, 2000, respectively. The increase in sales, general and administrative expenses in the three and six month periods over the comparable periods in the prior year was due to an increase in sales, general and administrative personnel and payroll-related expenses resulting from an increase in headcount, advertising campaigns initiated during the period, and increased depreciation expense associated with our property and equipment. We expect sales, general and administrative expenses to increase in the future.

Amortization of Intangible Assets. Amortization of intangible assets for the three and six months ended June 30, 2000 was $189.1 million and $198.1 million, respectively, and represented 71% and 64% of total operating expenses for the respective periods. Amortization expense primarily relates to the acquisitions of Network24 and INTERVU and the associated amortization of intangible assets acquired as part of these acquisitions. These intangible assets are being amortized on a straight-line basis over two to three years. We expect amortization of intangible assets to be approximately $238 million per quarter as a result of these acquisitions.

Equity-Related Compensation. Equity-related compensation expenses consist of the amortization of deferred compensation resulting from the grant of stock options or shares of restricted stock at exercise or sale prices deemed to be less than the fair value of the common stock on the grant date and compensation expense related to the acceleration of stock option vesting for certain terminated employees. At June 30, 2000, deferred compensation, which is a component of stockholders' equity, was $26.6 million. This amount is being amortized ratably over the vesting periods of the applicable stock options and restricted shares, typically four years, with 25% vesting on the first anniversary of the grant date and the balance vesting 6.25% quarterly thereafter. We expect to incur equity related compensation expenses of at least $16.0 million in 2000, $8.7 million in 2001, $8.7 million in 2002 and $3.6 million in 2003.

Interest Income (Expense), Net. Interest income (expense), net, was $(177,000) and $(144,000) for the three and six months ended June 30, 1999, respectively, and $3.8 million and $7.4 million for the three and six months ended June 30, 2000, respectively. Interest income (expense), net, consists of interest earned on cash, cash equivalent and short-term and long-term investment balances, net of interest expense. Interest income increased in 2000 due to interest on proceeds from the issuance of senior subordinated notes, the sale of preferred stock in several private placements and the sale of common stock in our initial public offering during 1999, partially offset by accrued interest expense on our 5 1/2% convertible subordinated notes and the amortization of deferred financing costs.

LIQUIDITY AND CAPITAL RESOURCES

Initially, we financed our operations primarily through private sales of our capital stock and issuance of senior subordinated notes totaling approximately $124.6 million in net proceeds through December 31, 1999. In November 1999, we sold shares of common stock through an initial public offering. The net proceeds to us from the initial public offering were $217.6 million after deducting an aggregate of $16.4 million in underwriting discounts and commission to the underwriters. In June 2000, we received net proceeds of $290.5 million from the sale of 5 1/2% convertible subordinated notes due 2007 ("Convertible Notes"). At June 30, 2000, cash, cash equivalents and short-term investments totaled $515.7 million.

Cash used in operating activities was $4.9 million for the six months ended June 30, 1999 and $49.5 million for the six months ended June 30, 2000. Net cash used in operating activities for the six months ended June 30, 2000 reflects increasing net losses partially offset by increases in accounts payable and accrued expenses.

Cash used in investing activities was $5.8 million for the six months ended June 30, 1999 and $168.0 million for the six months ended June 30, 2000. Net cash used for investing activities in the current period reflects net purchases of short-term investments of $277.6 million, sales and maturities of investments of $147.7 million and purchases of property and equipment of $55.6 million, consisting primarily of servers for deployment and expansion of our network, information systems used to operate the business, and facilities improvements. Also during the current period we made a cash payment of $11.7 million, net of cash acquired, for the acquisition of Network24 and acquired $29.2 million of cash in our acquisition of INTERVU. We expect to continue to expand our infrastructure by making approximately $80 million in additional capital expenditures during the remainder of the year.

Cash provided by financing activities was $48.9 million for the six months ended June 30, 1999 and $302.5 million for the six months ended June 30, 2000. Cash provided by financing activities for the six months ended June 30, 1999 was derived primarily from the sale of convertible preferred stock, the issuance of demand notes, and an equipment line of credit. In December 1999, we exercised our right to pay off outstanding senior subordinated notes, of which $12.2 million was paid in December 1999 and the remainder was paid during the six months ended June 30, 2000. Cash provided by financing activities for the six months ended June 30, 2000 was derived primarily from the proceeds from the sale of Convertible Notes and the issuance of common stock under our stock plans.

We believe that our current cash, cash equivalents and short-term investments will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the next 12 months. If cash generated from operations is insufficient to satisfy our liquidity requirements, we may seek to sell additional equity or debt securities. If additional funds are raised through the issuance of debt securities, these securities could have rights, preferences and privileges senior to those accruing to holders of our common stock, and the term of this debt could impose restrictions on our operations. The sale of additional equity or convertible debt securities could result in additional dilution to our stockholders, and we cannot be certain that additional financing will be available in amounts or on terms acceptable to us, if at all. If we are unable to obtain this additional financing, we may be required to reduce the scope of our planned technology, services or product development and sales and marketing efforts, which could harm our business, financial condition and operating results. It is our intention to at all times maintain cash on hand and borrowing capacity to meet funding needs for 18 to 24 months in the future.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," as amended by SAB No. 101A and 101B, which is effective no later than the quarter ending December 31, 2000. SAB No. 101 clarifies the SEC's views regarding the recognition of revenue. We will adopt SAB No. 101 in the fourth quarter of 2000. We do not expect the application of SAB No. 101 to have a significant impact on our financial position or results of operations.

In March 2000, the Financial Accounting Standard Board issued FASB Interpretation ("FIN") No. 44, "Accounting for Certain Transactions Involving Stock Compensation--an Interpretation of APB Opinion No. 25." FIN No. 44 primarily clarifies (a) the definition of an employee for purposes of applying APB Opinion No. 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of various modifications to the terms of previously fixed stock options or awards, and (d) the accounting for an exchange of stock compensation awards in a business combination. FIN No. 44 is effective July 1, 2000, but certain conclusions in FIN No. 44 cover specific events that occurred after either December 15, 1998 or January 12, 2000. We do not expect the application of FIN No. 44 to have a significant impact on our financial position or results of operations.

FACTORS AFFECTING FUTURE OPERATING RESULTS

The following important factors, among other things, could cause our actual operating results to differ materially from those indicated or suggested by forward-looking statements made in this Quarterly Report on Form 10-Q or presented elsewhere by management from time to time.

OUR BUSINESS IS DIFFICULT TO EVALUATE BECAUSE WE HAVE A LIMITED OPERATING HISTORY.

We were founded in August 1998 and began offering our services commercially in April 1999. We have limited meaningful historical financial data upon which to base planned operating expenses and upon which investors may evaluate us and our prospects. In addition, our operating expenses are largely based on anticipated revenue trends, and a high percentage of our expenses are and will continue to be fixed in the short-term. Risks and difficulties are frequently encountered by companies like us in a new and rapidly evolving market. Our ability to sell our services and the level of success we achieve depend, among other things, on the level of demand for delivery services for graphics, streaming media, applications and other Internet content, which is a new and rapidly evolving market. Our business strategy may be unsuccessful, and it may not successfully address the risks we face.

WE ARE ENTIRELY DEPENDENT ON OUR INTERNET CONTENT AND STREAMING MEDIA DELIVERY SERVICES AND OUR FUTURE REVENUE DEPENDS ON THE COMMERCIAL SUCCESS OF OUR SERVICES.

Currently, our future growth depends on the commercial success of our Internet content and streaming media delivery services and other services and products we may develop and/or offer. While we have been selling our services commercially since April 1999, sales may not continue in the future. Our other services and products under development may not achieve widespread market acceptance. The future revenue growth of our FreeFlow Streaming service, which provides for the delivery of streaming audio and video content to Internet users, will depend in part on customer acceptance of the combined or integrated service offerings of Akamai and INTERVU, which we acquired in April 2000. Failure of our current and planned services to operate as expected could hinder or prevent their adoption. If our target customers do not adopt, purchase and successfully deploy our current and planned services, our revenue will not grow significantly and our business, results of operations and financial condition will be seriously harmed. In addition, to the extent we promote any portion of our technology as an industry standard by making it readily available to users for little or no charge, we may not receive revenue that we might otherwise have received.

THE INTERNET CONTENT, STREAMING AND APPLICATIONS DELIVERY MARKET IS NEW AND OUR BUSINESS WILL SUFFER IF THE MARKET DOES NOT DEVELOP AS WE EXPECT.

The market for Internet content, streaming and applications delivery services is new. We cannot be certain that a broad-based market for our services will emerge or be sustainable. If this market does not develop, or develops more slowly than we expect, our business, results of operations and financial condition will be seriously harmed.

ANY FAILURE OF OUR NETWORK INFRASTRUCTURE COULD LEAD TO SIGNIFICANT COSTS AND DISRUPTIONS WHICH COULD REDUCE OUR REVENUE AND HARM OUR BUSINESS, FINANCIAL RESULTS AND REPUTATION.

Our business is dependent on providing our customers with fast, efficient and reliable Internet content delivery services. To meet these customer requirements, we must protect our network infrastructure against damage from:

- sabotage and vandalism;

- human error;

- physical or electronic intrusion and security breaches;

- fire, earthquake, flood and other natural disasters;

- power loss; and

- similar events.

Despite our efforts, our network infrastructure may come under attack by sabotage or vandalism. In addition, the occurrence of a natural disaster or other unanticipated problems at one or more of our servers could result in service interruptions or significant damage to equipment. We currently provide a FreeFlow service guarantee that our networks will deliver Internet content 24 hours a day, seven days a week, 365 days a year. If we do not provide this service, the customer does not pay for its services on that day. Any widespread loss or interruption of services would reduce our revenue and could harm our business, financial results and reputation.

BECAUSE OUR INTERNET CONTENT DELIVERY SERVICES ARE COMPLEX AND ARE DEPLOYED IN COMPLEX ENVIRONMENTS, THEY MAY HAVE ERRORS OR DEFECTS THAT COULD SERIOUSLY HARM OUR BUSINESS.

Our Internet content delivery services are highly complex and are designed to be deployed in and across numerous large and complex networks. As of May 31, 2000, our network consisted of over 4,000 servers across 160 networks. We and our customers have from time to time discovered errors and defects in our software. In the future, there may be additional errors and defects in our software that may adversely affect our services. If we are unable to efficiently fix errors or other problems that may be identified, we could experience:

- loss of or delay in revenues and loss of market share;

- loss of customers;

- failure to attract new customers or achieve market acceptance;

- diversion of development and engineering resources;

- loss of credibility or damage to business reputation;

- increased service costs; and

- legal actions by our customers.

ANY FAILURE OF OUR TELECOMMUNICATIONS AND NETWORK PROVIDERS TO PROVIDE REQUIRED TRANSMISSION CAPACITY TO US COULD RESULT IN INTERRUPTIONS IN OUR SERVICES.

Our operations are dependent in part upon transmission capacity provided by third-party telecommunications network providers. Any failure of these network providers to provide the capacity we require may result in a reduction in, or interruption of, service to our customers. This failure may be a result of the telecommunications providers or Internet service providers experiencing interruptions or other failures, failing to comply with or terminating their existing agreements with us, or otherwise denying or interrupting service or not entering into relationships with us at all or on terms commercially acceptable to us. If we do not have access to third-party transmission capacity, we could lose customers. If we are unable to obtain transmission capacity on terms commercially acceptable to us, our business and financial results could suffer. In addition, our telecommunications and network providers typically provide rack space for our servers. Damage or destruction of, or other denial of access to, a facility where our servers are housed could result in a reduction in, or interruption of, service to our customers.

THE MARKETS IN WHICH WE OPERATE ARE HIGHLY COMPETITIVE AND WE MAY BE UNABLE TO COMPETE SUCCESSFULLY AGAINST NEW ENTRANTS AND ESTABLISHED COMPANIES WITH GREATER RESOURCES.

We compete in markets that are new, intensely competitive, highly fragmented and rapidly changing. We have experienced and expect to continue to experience increased competition. Many of our current competitors, as well as a number of our potential competitors, have longer operating histories, greater name recognition and substantially greater financial, technical and marketing resources than we do. Some of our current or potential competitors have the financial resources to withstand substantial price competition. Moreover, many of our competitors have more extensive brand recognition, customer bases, broader customer relationships and broader industry alliances that they could use to their advantage in competitive situations, including relationships with many of our current and potential customers. Our competitors may be able to respond more quickly than we can to new or emerging technologies and changes in customer requirements. Some of our current or potential competitors may bundle their services with other services, software or hardware in a manner that may discourage Web site owners from purchasing any service we offer or Internet service providers from installing our servers.

As competition in the Internet content, streaming media and applications delivery market continues to intensify, new solutions will come to market. We are aware of other companies that are focusing or may in the future focus significant resources on developing and marketing products and services that will compete with us. We also believe that we may face competition from other providers of competing Internet content, streaming media and applications delivery services, including networking hardware and software manufacturers, content distribution providers, traditional hardware manufacturers, telecommunications providers, software database companies, and large diversified software and technology companies. Increased competition could result in:

- price and revenue reductions and lower profit margins;

- increased cost of service from telecommunications providers;

- loss of customers; and

- loss of market share.

Any one of these could materially and adversely affect our business, financial condition and results of operations.

AS PART OF OUR BUSINESS STRATEGY, WE HAVE ENTERED INTO AND MAY ENTER INTO OR SEEK TO ENTER INTO BUSINESS COMBINATIONS AND ACQUISITIONS WHICH MAY BE DIFFICULT TO INTEGRATE, DISRUPT OUR BUSINESS, DILUTE STOCKHOLDER VALUE OR DIVERT MANAGEMENT ATTENTION.

We acquired Network24 in February 2000, INTERVU in April 2000 and CallTheShots Inc. ("CTS") in July 2000. As a part of our business strategy, we may enter into additional business combinations and acquisitions. Acquisitions are typically accompanied by a number of risks, including:

- the difficulty of integrating the operations and personnel of the acquired companies;

- the maintenance of acceptable standards, controls, procedures and policies;

- the potential disruption of our ongoing business and distraction of management;

- the impairment of relationships with employees and customers as a result of any integration of new management personnel;

- the difficulty of incorporation of acquired technology and rights into our products and services;

- the failure to achieve the expected benefits of the combination or acquisition;

- expenses related to the acquisition;

- potential unknown liabilities associated with acquired businesses; and

- unanticipated expenses related to acquired technology and its integration into existing technology.

If we are not successful in completing acquisitions that we may pursue in the future, we would be required to reevaluate our growth strategy and we may have incurred substantial expenses and devoted significant management time and resources in seeking to complete proposed acquisitions that will not generate benefits for us. In addition, with future acquisitions, we could use substantial portions of our available cash as all or a portion of the purchase price. We could also issue additional securities as consideration for these acquisitions, which could cause our stockholders to suffer significant dilution. Our acquisitions of Network24, INTERVU and CTS and any future acquisitions may not generate any additional revenue and may pose other risks to us.

A SUBSTANTIAL AMOUNT OF OUR COMMON STOCK WILL BE ELIGIBLE FOR PUBLIC SALE AFTER EXISTING LOCK-UP PERIODS EXPIRE, WHICH COULD CAUSE OUR STOCK PRICE TO FALL.

A substantial amount of our common stock will be eligible for public sale after existing lock-up periods expire, which could cause our stock price to fall. Lock-up restrictions will expire with respect to approximately 0.6 million shares on August 18, 2000; approximately 7.4 million shares on August 24, 2000; approximately 58.2 million shares on September 13, 2000 and approximately 6.6 million shares on October 29, 2000.

Sales of a substantial number of shares of our common stock within a short period of time could cause our stock price to fall. In addition, the sale of these shares could impair our ability to raise capital through the sale of additional stock.

A SIGNIFICANT DECLINE IN SALES TO APPLE COMPUTER COULD REDUCE OUR REVENUE AND CAUSE OUR BUSINESS AND FINANCIAL RESULTS TO SUFFER.

We entered into a strategic alliance with Apple Computer, Inc. effective as of April 1, 1999. Sales of our services to Apple Computer represented approximately 18% of our revenue for the six months ended June 30, 2000. We expect that sales to Apple Computer as a percentage of total sales will decrease, but that during calendar 2000 sales to Apple Computer will continue to represent a significant portion of our revenue. Apple Computer has the right to terminate the agreement on short notice if we materially breach the agreement. A significant decline in sales to Apple Computer could reduce our revenue and cause our business and financial results to suffer.

SOME OF OUR CURRENT CUSTOMERS ARE EMERGING INTERNET-BASED BUSINESSES THAT MAY NOT PAY US FOR OUR SERVICES ON A TIMELY BASIS AND THAT MAY NOT SUCCEED OVER THE LONG TERM.

Some of our revenue recognized in the six months ended June 30, 2000 was derived from customers that are emerging Internet-based businesses, and a portion of our future revenue may be derived from this customer base. The unproven business models of some of these customers make their continued financial viability uncertain. Given the short operating history and emerging nature of many of these businesses, there is a risk that some of these customers will encounter financial difficulties and fail to pay for our services or delay payment substantially. The failure of our emerging business customers to pay our fees on a timely basis or to continue to purchase our services in accordance with their contractual commitments could adversely affect our revenue collection periods, our revenue and other financial results.

OUR BUSINESS WILL SUFFER IF WE ARE UNABLE TO SCALE OUR NETWORK AS DEMAND INCREASES.

Our network may not be scalable to expected customer levels while maintaining superior performance. We cannot be certain that our network can connect and manage a substantially larger number of customers at high transmission speeds. In addition, as customers' usage of bandwidth increases, we will need to make additional investments in our infrastructure to maintain adequate data transmission speeds. We cannot ensure that we will be able to make these investments successfully or at an acceptable or commercially reasonable cost.

Upgrading our infrastructure may cause delays or failures in our network. As a result, in the future our network may be unable to achieve or maintain a sufficiently high transmission capacity. Our failure to achieve or maintain high capacity data transmission could significantly reduce demand for our services, reducing our revenue and causing our business and financial results to suffer.

OUR BUSINESS WILL SUFFER IF WE DO NOT RESPOND RAPIDLY TO TECHNOLOGICAL CHANGES.

The market for Internet content delivery services is likely to continue to be characterized by rapid technological change, frequent new product and service introductions and changes in customer requirements. We may be unable to respond quickly or effectively to these developments. If competitors introduce products, services or technologies that are better than ours or that gain greater market acceptance, or if new industry standards emerge, our services may become obsolete, which would materially and adversely affect our business, results of operations and financial condition.

In developing our services, we have made, and will continue to make, assumptions about the standards that our customers and competitors may adopt. If the standards adopted are different from those which we may now or in the future promote or support, market acceptance of our services may be significantly reduced or delayed and our business will be seriously harmed. In addition, the introduction of services or products incorporating new technologies and the emergence of new industry standards could render our existing service obsolete.

IF OUR LICENSE AGREEMENT WITH MIT TERMINATES, THEN OUR BUSINESS COULD BE ADVERSELY AFFECTED.

We have licensed from MIT technology covered by various patent applications and copyrights relating to Internet content delivery technology. Some of our technology is based in part on the technology covered by these patent applications and copyrights. Although the license is effective for the life of the patent and patent applications, MIT may terminate the license agreement if we cease our business due to insolvency or if we materially breach the terms of the license agreement. A termination of our license agreement with MIT could have a material adverse effect on our business.

OUR BUSINESS WILL BE ADVERSELY AFFECTED IF WE ARE UNABLE TO PROTECT OUR INTELLECTUAL PROPERTY RIGHTS FROM THIRD-PARTY CHALLENGES.

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. These legal protections afford only limited protection; competitors may gain access to our intellectual property which may result in the loss of our customers.

Although we have licensed technology covered by patent applications filed with the United States Patent and Trademark Office with respect to Internet content delivery services, we have no patents issued with respect to our FreeFlow content delivery services. Accordingly, neither our technology nor technology licensed by us is covered by patents that would preclude or inhibit competitors from entering our market for our FreeFlow services. Our future patents, if any, and patents licensed by us for our FreeFlow services, may be successfully challenged or may not provide us with any competitive advantages. Moreover, although we have filed international patent applications, none of our technology is patented abroad. We cannot be certain that any pending or future patent applications will be granted, that any future patent will not be challenged, invalidated or circumvented, or that rights granted under any patent that may be issued will provide competitive advantages to us. Monitoring unauthorized use of our services is difficult and we cannot be certain that the steps we have taken will prevent unauthorized use of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States.

As a result of our recent INTERVU acquisition, we acquired two United States patents covering data delivery services. Such patents, however, may not provide us with any competitive advantages or restrict or limit any third party competitor's ability to make, use or sell their data delivery services in competition with us.

FAILURE TO INCREASE OUR REVENUE WOULD PREVENT US FROM ACHIEVING AND MAINTAINING PROFITABILITY.

We have never been profitable. We have incurred significant losses since inception and expect to continue to incur losses in the future. As of June 30, 2000, we had an accumulated deficit of $337.2 million. We cannot be certain that our revenue will continue to grow or that we will achieve sufficient revenue to achieve profitability. Our failure to significantly increase our revenue would seriously harm our business and operating results. We have large fixed expenses, and we expect to continue to incur significant and increasing sales and marketing, product development, administrative and other expenses, including fees to obtain access to bandwidth for the transport of data over our network. As a result, we will need to generate significantly higher revenue to achieve and maintain profitability. If our revenue grows more slowly than we anticipate or if our operating expenses increase more than we expect or cannot be reduced in the event of lower revenue, our business will be materially and adversely affected.

THE VARIABLE SALES CYCLES FOR OUR SERVICES MAY CAUSE REVENUE AND OPERATING RESULTS TO VARY SIGNIFICANTLY FROM QUARTER TO QUARTER WHICH COULD ADVERSELY AFFECT OUR STOCK PRICE.

At times, a customer's decision to purchase our Internet content delivery services involves a lengthy evaluation process. Throughout the sales cycle, we spend considerable time and expense educating and providing information to prospective customers about the use and benefits of our services. Because of our limited operating history and the nature of our business, we cannot predict these sales and deployment cycles. Long sales cycles may cause our revenue and results of operations to vary significantly and unexpectedly from quarter to quarter. If our operating results fall below the expectations of securities analysts or investors in some future quarter or quarters, the market price of our common stock could be adversely affected.

THE RATES WE CHARGE FOR OUR SERVICES MAY DECLINE OVER TIME WHICH WOULD REDUCE OUR REVENUE AND COULD CAUSE OUR BUSINESS AND FINANCIAL RESULTS TO SUFFER.

We expect that our cost to obtain bandwidth capacity for the transport of data over our network will decline over time as a result of, among other things, the large amount of capital currently being invested to build infrastructure providing additional bandwidth and volume discounts available to us as our network usage increases. We expect the prices we charge for our services may also decline over time as a result of, among other things, existing and new competition in the markets we address. As a result, our historical revenue rates may not be indicative of future revenue based on comparable traffic volumes. If we fail to accurately predict the decline in costs of bandwidth or, in any event, if we are unable to sell our services at acceptable prices relative to our bandwidth costs, or if we fail to offer additional services from which we can derive additional revenue, our revenue will decrease and our business and financial results will suffer.

OUR BUSINESS AND PROSPECTS DEPEND ON DEMAND FOR AND MARKET ACCEPTANCE OF THE INTERNET AND ITS INFRASTRUCTURE DEVELOPMENT.

The increased use of the Internet for retrieving, sharing and transferring information among businesses, consumers, suppliers and partners has only begun to develop in recent years, and our success will depend in large part on continued growth in the use of the Internet. Critical issues concerning the commercial use of the Internet, including security, reliability, speed, cost, ease of access, quality of service, regulatory initiatives and necessary increases in bandwidth availability, remain unresolved and are likely to affect the development of the market for our services. The adoption of the Internet for information retrieval and exchange, commerce and communications generally will require the acceptance of a new medium of conducting business and exchanging information. Demand for and market acceptance of the Internet are subject to a high level of uncertainty and are dependent on a number of factors, including:

- the growth in consumer access to and acceptance of new interactive technologies;

- the development of technologies that facilitate interactive communication between organizations; and

- increases in user bandwidth.

If the Internet as a commercial or business medium fails to develop or develops more slowly than expected, our business and prospects will suffer.

OUR BUSINESS WILL SUFFER IF WE DO NOT ANTICIPATE AND MEET SPECIFIC CUSTOMER REQUIREMENTS.

Our current and prospective customers may require features and capabilities that our current service offerings do not have. To achieve market acceptance for our services, we must effectively and timely anticipate and adapt to customer requirements and offer services that meet customer demands. Our failure to offer services that satisfy customer requirements would seriously harm our business, results of operations and financial condition.

We intend to continue to invest heavily in technology development. The development of new or enhanced services and applications, such as EdgeAdvantage, an integrated platform of our core technologies and network infrastructure service, is a complex and uncertain process that requires the accurate anticipation of technological and market trends. We may experience design, integration, manufacturing, marketing and other difficulties that could delay or prevent the development, introduction or marketing of new services as well as enhancements. The introduction of new or enhanced services and applications also requires that we manage the transition from older services in order to ensure that we can deliver services to meet anticipated customer demand. Our inability to effectively manage this transition would materially adversely affect our business, results of operations and financial condition.

WE HAVE LIMITED SALES AND MARKETING EXPERIENCE; OUR BUSINESS WILL SUFFER IF WE DO NOT EXPAND OUR DIRECT AND INDIRECT SALES ORGANIZATIONS AND OUR CUSTOMER SERVICE AND SUPPORT OPERATIONS.

We currently have limited sales and marketing experience. Our limited experience may restrict our success gaining broad market acceptance of our services or in commercializing our future services. Our services require a sophisticated sales effort targeted at a limited number of key people within a prospective customer's organization. This sales effort requires the efforts of trained sales personnel. We need to continue to expand our marketing and sales organization in order to increase market awareness of our services to a greater number of organizations and generate increased revenue. Competition for these individuals is intense, and we might not be able to hire the kind and number of sales personnel we need. In addition, we believe that our future success is dependent upon our ability to establish successful relationships with a variety of distribution partners. If we are unable to expand our direct and indirect sales operations, we may not be able to increase market awareness or sales of our services, which may prevent us from achieving and maintaining profitability.

Hiring personnel is very competitive in our industry because there is a limited number of people available with the necessary technical skills and understanding of our market. Once we hire them, they require extensive training in our Internet content delivery services. If we are unable to expand our customer service and support organization and train them as rapidly as necessary, we may not be able to increase sales of our services, which would seriously harm our business.

OUR BUSINESS WILL SUFFER IF WE FAIL TO MANAGE OUR GROWTH PROPERLY.

We have expanded our operations rapidly since our inception. We continue to increase the scope of our operations and have grown our headcount substantially. Our total number of employees increased from 385 at December 31, 1999 to 1,053 at June 30, 2000. We plan to continue to hire a significant number of employees this year. This growth has placed, and our anticipated growth in future operations will continue to place, a significant strain on our management systems and resources. Our ability to successfully offer our services and implement our business plan in a rapidly evolving market requires an effective planning and management process. We expect that we will need to continue to improve our financial and managerial controls, reporting systems and procedures, and will need to continue to expand, train and manage our workforce worldwide. Competition for highly skilled personnel is intense, especially in New England and central and southern California. We may fail to attract, assimilate or retain qualified personnel to fulfill our current or future needs. Our planned rapid growth places a significant demand on management and financial and operational resources. In order to grow and achieve future success, we must:

- retain existing personnel;

- successfully integrate Network24, INTERVU and CTS personnel;

- hire, train, manage and retain additional qualified personnel; and

- effectively manage multiple relationships with our customers, suppliers and other third parties.

Failure to do so would have a materially adverse effect on our business, results of operations and financial condition.

WE DEPEND ON OUR KEY PERSONNEL TO MANAGE OUR BUSINESS EFFECTIVELY IN A RAPIDLY CHANGING MARKET AND IF WE ARE UNABLE TO RETAIN OUR KEY EMPLOYEES, OUR ABILITY TO COMPETE COULD BE HARMED.

Our future success depends upon the continued services of our executive officers and other key technology, sales, marketing and support personnel, who have critical industry experience and relationships that they rely on in implementing our business plan. None of our officers or key employees is bound by an employment agreement for any specific term. We have "key person" life insurance policies covering only the lives of F. Thomson Leighton and Daniel M. Lewin. The loss of the services of any of our key employees could delay the development and introduction of and negatively impact our ability to sell our services. We face intense competition for qualified personnel, including research and development, service and support and sales and marketing personnel.

WE FACE RISKS ASSOCIATED WITH INTERNATIONAL OPERATIONS THAT COULD HARM OUR BUSINESS.

We have expanded our international operations to Munich, Germany, London, England and Paris, France. A key aspect of our business strategy is to continue to expand our sales and support organizations internationally. Therefore, we expect to commit significant resources to expand our international sales and marketing activities. However, we may not be able to maintain or increase market demand for our services which may harm our business. We are increasingly subject to a number of risks associated with international business activities which may increase our costs, lengthen our sales cycle and require significant management attention. These risks include:

- market acceptance of our products and services by countries outside the United States;

- increased expenses associated with marketing services in foreign countries;

- general economic conditions in international markets;

- currency exchange rate fluctuations;

- unexpected changes in regulatory requirements resulting in unanticipated costs and delays;

- tariffs, export controls and other trade barriers;

- longer accounts receivable payment cycles and difficulties in collecting accounts receivable; and

- potentially adverse tax consequences, including restrictions on the repatriation of earnings.

INSIDERS HAVE SUBSTANTIAL CONTROL OVER US WHICH COULD LIMIT OTHERS' ABILITIES TO INFLUENCE THE OUTCOME OF KEY TRANSACTIONS, INCLUDING CHANGES OF CONTROL.

As of July 31, 2000, the executive officers, directors and entities affiliated with them, in the aggregate, beneficially owned approximately 52.2% of our outstanding common stock. These stockholders, if acting together, are able to influence significantly all matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other business combination transactions.

PROVISIONS OF OUR CHARTER DOCUMENTS MAY HAVE ANTI-TAKEOVER EFFECTS THAT COULD PREVENT A CHANGE IN CONTROL EVEN IF THE CHANGE IN CONTROL WOULD BE BENEFICIAL TO OUR STOCKHOLDERS.

Provisions of our amended and restated certificate of incorporation, by-laws, and Delaware law could make it more difficult for a third party to acquire us, even if doing so would be beneficial to our stockholders.

THE UNPREDICTABILITY OF OUR QUARTERLY RESULTS MAY ADVERSELY AFFECT THE TRADING PRICE OF OUR COMMON STOCK.

Our revenue and operating results will vary significantly from quarter to quarter due to a number of factors, many of which are outside of our control and any of which may cause our stock price to fluctuate. The primary factors that may affect us include the following:

- demand for Internet content delivery services and streaming services;

- the timing and size of sales of our services;

- the timing of recognizing revenue and deferred revenue;

- new product and service introductions and enhancements by our competitors and us;

- changes in our pricing policies or the pricing policies of our competitors;

- our ability to develop, introduce and deliver new products, services and enhancements that meet customer requirements in a timely manner;

- the length of the sales cycle for our services;

- increases in the prices of, and availability of, the products, services, components or raw materials we purchase, including bandwidth;

- our ability to attain and maintain quality levels for our services;

- expenses related to testing of our services;

- costs related to acquisitions of technology or businesses; and

- general economic conditions as well as those specific to the Internet and related industries.

We plan to increase significantly our operating expenses to fund greater levels of engineering and development, expand our sales and marketing operations, broaden our customer support capabilities, continue to develop new distribution channels and continue to expand internationally. We also plan to expand our general and administrative functions to address the increased reporting and other administrative demands and the increasing size of our business.

Our operating expenses are largely based on anticipated revenue trends and a high percentage of our expenses are, and will continue to be, fixed in the short term. As a result, a delay in generating or recognizing revenue for the reasons set forth above, or for any other reason, could cause significant variations in our operating results from quarter to quarter and could result in substantial operating losses.

Due to the above factors, we believe that quarter-to-quarter comparisons of our operating results are not a good indication of our future performance. It is likely that in some future quarters, our operating results may be below the expectations of public market analysts and investors. In this event, the price of our common stock will probably fall.

WE FACE A NUMBER OF UNKNOWN RISKS ASSOCIATED WITH YEAR 2000 PROBLEMS.

We must continue to monitor year 2000 issues. While we have not experienced any year 2000 issues to date, there can be no assurance that we have identified and remediated all material year 2000 related issues. We could experience a system failure or miscalculations causing disruptions of operations, including among other things, a temporary inability to process transactions, send invoices or engage in similar normal business activities.

Our services are used in conjunction with larger networks involving sophisticated hardware and software products supplied by other vendors. We may face claims based on year 2000 problems in other companies' products or based on issues arising from the integration of multiple third-party products within the overall network. Although no claims of this kind have been made, we may in the future be required to defend our services in legal proceedings which could be expensive regardless of the merits of these claims.

WE COULD INCUR SUBSTANTIAL COSTS DEFENDING OUR INTELLECTUAL PROPERTY FROM INFRINGEMENT OR A CLAIM OF INFRINGEMENT.

Other companies or individuals, including our competitors, may obtain patents or other proprietary rights that would prevent, limit or interfere with our ability to make, use or sell our services. As a result, we may be found to infringe on the proprietary rights of others. In the event of a successful claim of infringement against us and our failure or inability to license the infringed technology, our business and operating results would be significantly harmed. Companies in the Internet market are increasingly bringing suits alleging infringement of their proprietary rights, particularly patent rights. Any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources. Intellectual property litigation or claims could force us to do one or more of the following:

- cease selling, incorporating or using products or services that incorporate the challenged intellectual property;

- obtain a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms; and

- redesign products or services.

If we are forced to take any of these actions, our business may be seriously harmed. Although we carry insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed.

INTERNET-RELATED LAWS COULD ADVERSELY AFFECT OUR BUSINESS.

Laws and regulations that apply to communications and commerce over the Internet are becoming more prevalent. A recent session of the United States Congress resulted in the passage of Internet laws regarding children's privacy, copyrights, taxation and the transmission of sexually explicit material. The European Union recently enacted its own privacy regulations, and is currently considering copyright legislation that may extend the right of reproduction held by copyright holders to include the right to make temporary copies for any reason. The law of the Internet, however, remains largely unsettled, even in areas where there has been some legislative action. It may take years to determine whether and how existing laws such as those governing intellectual property, privacy, libel and taxation apply to the Internet. In addition, the growth and development of the market for online commerce may prompt calls for more stringent consumer protection laws, both in the United States and abroad, that may impose additional burdens on companies conducting business online. The adoption or modification of laws or regulations relating to the Internet, or interpretations of existing law, could adversely affect our business.

WE MAY BE SUBJECT TO REGULATION, TAXATION, ENFORCEMENT OR OTHER LIABILITIES IN UNEXPECTED JURISDICTIONS.

We provide services to customers located throughout the United States and in several foreign countries. As a result, we may be required to qualify to do business, or be subject to tax or other laws and regulations, in these jurisdictions even if we do not have a physical presence, employees or property in these jurisdictions. The application of these multiple sets of laws and regulations is uncertain, but we could find that we are subject to regulation, taxation, enforcement or other liability in unexpected ways, which could materially adversely affect our business, financial condition and results of operations.

OUR STOCK PRICE HAS BEEN AND MAY CONTINUE TO BE VOLATILE, WHICH COULD RESULT IN LITIGATION AGAINST US.

The market price of our common stock has been extremely volatile and has fluctuated significantly in the past. The following factors could cause the market price of common stock to continue to fluctuate significantly:

- the addition or departure of our key personnel;

- variations in our quarterly operating results;

- announcements by us or our competitors of significant contracts, new or enhanced products or service offerings, acquisitions, distribution partnerships, joint ventures or capital commitments;

- changes in financial estimates by securities analysts;

- our sales of common stock or other securities in the future;

- changes in market valuations of networking, Internet and telecommunications companies;

- fluctuations in stock market prices and volumes; and

- changes in general economic conditions, including interest rate levels.

In the past, class action litigation has often been brought against companies following periods of volatility in the market price of those companies' common stock. We may become involved in this type of litigation in the future. Litigation is often expensive and diverts management's attention and resources which could materially adversely affect our business and results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market rate risk for changes in interest rates relates primarily to our investment portfolio. We do not use derivative financial instruments in our investment portfolio. We place our investments with high quality issuers and, by policy, limit the amount of risk by investing primarily in money market funds, United States Treasury obligations, high-quality corporate obligations and certificates of deposit. An increase or decrease in interest rates would not significantly increase or decrease interest expense due to the fixed nature of our debt obligations. We do not currently have significant foreign operations and thus are not currently materially exposed to foreign currency fluctuations. We do not expect a material loss from our marketable securities investments and believe that our potential interest rate exposure is not material.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

(c) Recent Sales of Unregistered Securities

On June 20, 2000, we sold to Donaldson, Lufkin & Jenrette Securities Corporation, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc. and Thomas Weisel Partners LLC an aggregate principal amount of $250,000,000 of our Convertible Notes in accordance with Rule 144A under the Securities Act of 1933, for cash in an amount equal to ninety-seven percent (97%) of the principal amount of the Convertible Notes. The Convertible Notes are due July 1, 2007, are convertible at any time prior to maturity at the option of the holder into shares of our common stock at a conversion price of approximately $115.47 per share (subject to certain adjustment events) and accrue interest payable semiannually. On June 23, 2000, the purchasers identified above exercised their option to purchase an additional $50,000,000 aggregate principal amount of the Convertible Notes for cash in an amount equal to ninety-seven percent (97%) of the principal amount of such Convertible Notes. The three percent discount represented an underwriting commission for the initial purchasers.

(d) Use of Proceeds from Sales of Registered Securities

On November 3, 1999, we sold 9,000,000 shares of our common stock in an initial public offering at a price of $26.00 per share pursuant to a Registration Statement on Form S-1 (the "Registration Statement") (Registration No. 333-85679) that was declared effective by the Securities and Exchange Commission on October 28, 1999. The aggregate proceeds to us from the offering were $217.6 million after deducting an aggregate of $16.4 million in underwriting discounts and commission to the underwriters. None of the proceeds of the offering was paid by us, directly or indirectly, to any director, officer or general partner of ours or any of their associates, or to any persons owning ten percent or more of our outstanding stock. In addition to underwriting discounts and commissions, the expenses incurred in connection with the offering were approximately $2.2 million, including $850,000 for Directors and Officers Insurance, $400,000 of legal costs, $460,000 of accounting costs, $50,000 of printing costs, $188,000 of registration, filing and listing costs, and other costs of approximately $300,000. During the period from the offering to June 30, 2000, we have used the proceeds as follows: approximately $41.8 million for network equipment and computer equipment and hardware, $15.0 million for the repayment of senior subordinated notes, $36.6 million for payroll and benefits, $9.3 million for advertising expenses, $10.3 million for bandwidth costs, and $12.5 million for the acquisition of businesses.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On May 24, 2000, we held our 2000 Annual Meeting of Stockholders (the "Annual Meeting"). At the meeting the following matters were approved by the vote specified below:

1. George H. Conrades and Terrance G. McGuire were elected to serve as directors until the next annual meeting of stockholders in 2003 or until their successors are duly elected and qualified. Mr. Conrades received 73,660,124 shares of common stock voting in favor of his election and 34,057 shares of common stock were withheld. Mr. McGuire received 73,659,603 shares of common stock voting in favor of his election and 34,578 shares of common stock were withheld. In addition, the terms of the following directors continued after the Annual Meeting of Stockholders: Arthur H. Bilger, Todd A. Dagres, F. Thomson Leighton, Daniel M. Lewin and Edward W. Scott.

2. An amendment to our Amended and Restated Certificate of Incorporation increasing the number of shares of common stock which we are authorized to issue from 300,000,000 shares to 700,000,000 shares was approved. The votes were cast as follows: 72,416,790 shares of common stock were voted for the amendment, 1,258,868 shares of common stock were voted against the amendment and 18,873 shares of common stock abstained from the vote. There were 350 shares of common stock subject to non-votes.

3. The continuance of our Second Amended and Restated 1998 Stock Incentive Plan and an amendment to the Second Amended and Restated 1998 Stock Incentive Plan increasing the number of shares of common stock authorized for issuance under the Plan from 28,755,600 shares to 37,755,600 shares were approved. The votes were cast as follows: 69,112,091 shares of common stock were voted for

the continuance of and amendment to the Plan, 1,401,418 shares of common stock were voted against the continuance of and amendment to the Plan and 23,655 shares of common stock abstained from the vote. There were 3,157,017 shares of common stock subject to non-votes.

4. The ratification of PricewaterhouseCoopers LLP as our independent public accountants for the year ended December 31, 2000 was approved. The votes were cast as follows: 73,683,039 shares of common stock were voted for the ratification, 5,819 shares of common stock were voted against the ratification and 5,673 shares of common stock abstained from the vote. There were 350 shares of common stock subject to non-votes.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3.1	Amended and Restated Certificate of Incorporation, as amended.
*4.1	Indenture, dated as of June 20, 2000, by and between Akamai and State Street Bank and Trust Company.
*4.2	5 1/2% Convertible Subordinated Notes due 2007 Registration Rights Agreement, dated as of June 20, 2000, by and among Akamai and Donaldson, Lufkin & Jenrette Securities Corporation, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc. and Thomas Weisel Partners LLC.
*10.1	Purchase Agreement, dated as of June 15, 2000, by and among Akamai and Donaldson, Lufkin & Jenrette Securities Corporation, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc. and Thomas Weisel Partners LLC.
**10.2	Second Amended and Restated 1998 Stock Incentive Plan, as amended.
27.1	Financial Data Schedule.

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* Incorporated by reference to Akamai's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 27, 2000.

** Incorporated by reference to Akamai's Form S-8 filed with the Securities and Exchange Commission on May 25, 2000.

(b) Reports on Form 8-K

On May 5, 2000, we filed a Current Report on Form 8-K under Item 2 (Acquisition or Disposition of Assets) to report the consummation of an Agreement and Plan of Merger for the acquisition of INTERVU. On May 24, 2000, we filed Amendment No. 1 to Current Report on Form 8-K/A under Item 7 (Financial Statements, Pro Forma Financial Information and Exhibits) to include the financial statements required to be filed in connection with the acquisition of INTERVU.

On June 27, 2000, we filed a Current Report on Form 8-K under Item 5 (Other Events) to report our offer and sale of 5 1/2% Convertible Subordinated Notes due 2007 in the aggregate principal amount of $300,000,000 (including an option to purchase up to an additional $50 million principal amount of convertible notes to cover over-allotments).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AKAMAI TECHNOLOGIES, INC.

Date: August 14, 2000

By: /s/ TIMOTHY WELLER

Timothy Weller
Chief Financial Officer and Treasurer
(Principal Financial Officer)

EXHIBIT INDEX

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EXHIBIT 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

AKAMAI TECHNOLOGIES, INC.

Akamai Technologies, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify as follows:

1. The Corporation filed its original Certificate of Incorporation with the Secretary of State of the State of Delaware on August 20, 1998.

2. The Corporation filed a Certificate of Amendment of the Certificate of Incorporation with the Secretary of State of the State of Delaware on November 18, 1998.

3. The Corporation filed a Certificate of Designations of Series A Convertible Preferred Stock with the Secretary of State of the State of Delaware on November 23, 1998.

4. The Corporation filed a Certificate of Amendment of the Certificate of Incorporation with the Secretary of State of the State of Delaware on January 27, 1999.

5. The Corporation filed a Certificate of Amendment of the Certificate of Incorporation with the Secretary of State of the State of Delaware on April 16, 1999.

6. The Corporation filed a Certificate of Designations of Series B Convertible Preferred Stock with the Secretary of State of the State of Delaware on April 16, 1999.

7. The Corporation filed a Certificate of Designations of Series C Convertible Preferred Stock with the Secretary of State of the State of Delaware on April 16, 1999.

8. The Corporation filed a Certificate of Amendment of the Certificate of Incorporation with the Secretary of State of the State of Delaware on May 25, 1999.

9. The Corporation filed a Certificate of Designations of Series D Convertible Preferred Stock with the Secretary of State of the State of Delaware on June 21, 1999.

10. The Corporation filed a Certificate of Amendment of the Certificate of Incorporation with the Secretary of State of the State of Delaware on August 6, 1999.

11. The Corporation filed a Certificate of Designations of Series E Convertible Preferred Stock with the Secretary of State of the State of Delaware on August 6, 1999.

12. The Corporation filed a Certificate of Designations of Series F Convertible Preferred Stock with the Secretary of State of the State of Delaware on September 20, 1999.

13. At a duly called meeting of the Board of Directors of the Corporation at which a quorum was present at all times, a resolution was duly adopted, pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, setting forth an Amended and Restated Certificate of Incorporation of the Corporation and declaring said Amended and Restated Certificate of Incorporation advisable. The stockholders of the Corporation duly approved said proposed Amended and Restated Certificate of Incorporation by written consent in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware. The resolution setting forth the Amended and Restated Certificate of Incorporation is as follows:

RESOLVED: That the Certificate of Incorporation of the Corporation, be and hereby is amended and restated in its entirety so that the same shall read as follows:

FIRST. The name of the Corporation is:

Akamai Technologies, Inc.

SECOND. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The nature of the business or purposes to be conducted or promoted by the Corporation is as follows:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue 305,000,000 shares, consisting of (i) 300,000,000 shares of Common Stock, $.01 par value per share ("Common Stock"), and (ii) 5,000,000 shares of Preferred Stock, $.01 par value per share ("Preferred Stock").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK.

1. GENERAL. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors upon any issuance of the Preferred Stock of any series.

2. VOTING. The holders of the Common Stock are entitled to one vote for each share held at all meetings of stockholders. There shall be no cumulative voting.

The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.

3. DIVIDENDS. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding Preferred Stock.

4. LIQUIDATION. Upon the dissolution or liquidation of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to any preferential rights of any then outstanding Preferred Stock.

B. PREFERRED STOCK.

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation as hereinafter provided. Any shares of Preferred Stock which may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions providing for the issue of the shares thereof, to determine and fix such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the General Corporation Law of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock of any other series to the extent permitted by law. Except as otherwise provided in this Certificate of Incorporation, no vote of the holders of the Preferred Stock or Common Stock shall be a prerequisite to the designation or issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Certificate of Incorporation, the right to have such vote being expressly waived by all present and future holders of the capital stock of the Corporation.

FIFTH. The Corporation shall have a perpetual existence.

SIXTH. In furtherance of and not in limitation of powers conferred by statute, it is further provided that the Board of Directors is expressly authorized to adopt, amend or repeal the By-Laws of the Corporation.

SEVENTH. Except to the extent that the General Corporation Law of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

EIGHTH. 1. ACTIONS, SUITS AND PROCEEDINGS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) (all such persons being referred to hereafter as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of NOLO CONTENDERE or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. Notwithstanding anything to the contrary in this Article, except as set forth in Section 7 below, the Corporation shall not indemnify an Indemnitee seeking indemnification in connection with a proceeding (or part thereof) initiated by the Indemnitee unless the initiation thereof was approved by the Board of Directors of the Corporation. Notwithstanding anything to the contrary in this Article, the Corporation shall not indemnify an Indemnitee to the extent such Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification payments to an Indemnitee and such Indemnitee is subsequently reimbursed from the proceeds of insurance, such Indemnitee shall promptly refund such indemnification payments to the Corporation to the extent of such insurance reimbursement.

2. ACTIONS OR SUITS BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any Indemnitee who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses (including attorneys' fees) which the Court of Chancery of Delaware shall deem proper.

3. INDEMNIFICATION FOR EXPENSES OF SUCCESSFUL PARTY. Notwithstanding the other provisions of this Article, to the extent that an Indemnitee has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, he shall be indemnified against all expenses (including attorneys' fees) actually and reasonably incurred by him or on his

behalf in connection therewith. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to the Indemnitee, (ii) an adjudication that the Indemnitee was liable to the Corporation, (iii) a plea of guilty or NOLO CONTENDERE by the Indemnitee, (iv) an adjudication that the Indemnitee did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that the Indemnitee had reasonable cause to believe his conduct was unlawful, the Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

4. NOTIFICATION AND DEFENSE OF CLAIM. As a condition precedent to his right to be indemnified, the Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving him for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee. After notice from the Corporation to the Indemnitee of its election so to assume such defense, the Corporation shall not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with such claim, other than as provided below in this Section 4. The Indemnitee shall have the right to employ his own counsel in connection with such claim, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Corporation, (ii) counsel to the Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and the Indemnitee in the conduct of the defense of such action or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel for the Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article. The Corporation shall not be entitled, without the consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above.

5. ADVANCE OF EXPENSES. Subject to the provisions of Section 6 below, in the event that the Corporation does not assume the defense pursuant to Section 4 of this Article of any action, suit, proceeding or investigation of which the Corporation receives notice under this Article, any expenses (including attorneys' fees) incurred by an Indemnitee in defending a civil or criminal action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter; provided, however, that the payment of such expenses incurred by an Indemnitee in advance of the final disposition of such matter shall be

made only upon receipt of an undertaking by or on behalf of the Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article. Such undertaking shall be accepted without reference to the financial ability of the Indemnitee to make such repayment.

6. PROCEDURE FOR INDEMNIFICATION. In order to obtain indemnification or advancement of expenses pursuant to Section 1, 2, 3 or 5 of this Article, the Indemnitee shall submit to the Corporation a written request, including in such request such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification or advancement of expenses. Any such indemnification or advancement of expenses shall be made promptly, and in any event within 60 days after receipt by the Corporation of the written request of the Indemnitee, unless with respect to requests under Section 1, 2 or 5 the Corporation determines within such 60-day period that the Indemnitee did not meet the applicable standard of conduct set forth in Section 1 or 2, as the case may be. Such determination shall be made in each instance by (a) a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), whether or not a quorum, (b) a majority vote of a committee of disinterested directors designated by majority vote of disinterested directors, whether or not a quorum, (c) a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote for directors, voting as a single class, which quorum shall consist of stockholders who are not at that time parties to the action, suit or proceeding in question, (d) independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation), or (e) a court of competent jurisdiction.

7. REMEDIES. The right to indemnification or advances as granted by this Article shall be enforceable by the Indemnitee in any court of competent jurisdiction if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within the 60-day period referred to above in Section 6. Unless otherwise required by law, the burden of proving that the Indemnitee is not entitled to indemnification or advancement of expenses under this Article shall be on the Corporation. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 6 that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct. The Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such proceeding shall also be indemnified by the Corporation.

8. SUBSEQUENT AMENDMENT. No amendment, termination or repeal of this Article or of the relevant provisions of the General Corporation Law of Delaware or any other applicable laws shall affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

9. OTHER RIGHTS. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of the Indemnitee. Nothing contained in this Article shall be deemed to prohibit, and the Corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification rights and procedures different from those set forth in this Article. In addition, the Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article.

10. PARTIAL INDEMNIFICATION. If an Indemnitee is entitled under any provision of this Article to indemnification by the Corporation for some or a portion of the expenses (including attorneys' fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnitee for the portion of such expenses (including attorneys' fees), judgments, fines or amounts paid in settlement to which the Indemnitee is entitled.

11. INSURANCE. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) against any expense, liability or loss incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of Delaware.

12. MERGER OR CONSOLIDATION. If the Corporation is merged into or consolidated with another corporation and the Corporation is not the surviving corporation, the surviving corporation shall assume the obligations of the Corporation under this Article with respect to any action, suit, proceeding or investigation arising

out of or relating to any actions, transactions or facts occurring prior to the date of such merger or consolidation.

13. SAVINGS CLAUSE. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

14. DEFINITIONS. Terms used herein and defined in Section 145(h) and Section 145(i) of the General Corporation Law of Delaware shall have the respective meanings assigned to such terms in such Section 145(h) and Section 145(i).

15. SUBSEQUENT LEGISLATION. If the General Corporation Law of Delaware is amended after adoption of this Article to expand further the indemnification permitted to Indemnitees, then the Corporation shall indemnify such persons to the fullest extent permitted by the General Corporation Law of Delaware, as so amended.

NINTH. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute and this Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

TENTH. This Article is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. NUMBER OF DIRECTORS. The number of directors of the Corporation shall not be less than three. The exact number of directors within the limitations specified in the preceding sentence shall be fixed from time to time by, or in the manner provided in, the Corporation's By-Laws.

2. CLASSES OF DIRECTORS. The Board of Directors shall be and is divided into three classes: Class I, Class II and Class III. No one class shall have more than one director more than any other class. If a fraction is contained in the quotient arrived at by dividing the designated number of directors by three, then, if such fraction is one-third, the extra director shall be a member of Class I, and if such fraction is two-thirds, one of the extra directors shall be a member of Class I and one of the extra directors shall be a member of Class II, unless otherwise provided from time to time by resolution adopted by the Board of Directors.

3. ELECTION OF DIRECTORS. Elections of directors need not be by written ballot except as and to the extent provided in the By-Laws of the Corporation.

4. TERMS OF OFFICE. Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected; provided, that each initial director in Class I shall serve for a term ending on the date of the annual meeting in 2000; each initial director in Class II shall serve for a term ending on the date of the annual meeting in 2001; and each initial director in Class III shall serve for a term ending on the date of the annual meeting in 2002; and provided further, that the term of each director shall be subject to the election and qualification of his successor and to his earlier death, resignation or removal.

5. ALLOCATION OF DIRECTORS AMONG CLASSES IN THE EVENT OF INCREASES OR DECREASES IN THE NUMBER OF DIRECTORS. In the event of any increase or decrease in the authorized number of directors, (i) each director then serving as such shall nevertheless continue as a director of the class of which he is a member and (ii) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to ensure that no one class has more than one director more than any other class. To the extent possible, consistent with the foregoing rule, any newly created directorships shall be added to those classes whose terms of office are to expire at the latest dates following such allocation, and any newly eliminated directorships shall be subtracted from those classes whose terms of offices are to expire at the earliest dates following such allocation, unless otherwise provided from time to time by resolution adopted by the Board of Directors.

6. QUORUM; ACTION AT MEETING. A majority of the directors at any time in office shall constitute a quorum for the transaction of business. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each director so disqualified, provided that in no case shall less than one-third of the number of directors fixed pursuant to Section 1 above constitute a quorum. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of those present may adjourn the meeting from time to time. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number is required by law, by the By-Laws of the Corporation or by this Certificate of Incorporation.

7. REMOVAL. Directors of the Corporation may be removed only for cause by the affirmative vote of the holders of at least two-thirds of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote.

8. VACANCIES. Any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the size of the Board of Directors, shall be filled only by a vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, and a director chosen to fill a position resulting from an increase in the number of directors shall hold office

until the next election of the class for which such director shall have been chosen, subject to the election and qualification of his successor and to his earlier death, resignation or removal.

9. STOCKHOLDER NOMINATIONS AND INTRODUCTION OF BUSINESS, ETC. Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the By-Laws of the Corporation.

10. AMENDMENTS TO ARTICLE. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-Laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the shares of capital stock of the Corporation issued and outstanding and entitled to vote shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article TENTH.

ELEVENTH. Stockholders of the Corporation may not take any action by written consent in lieu of a meeting. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-Laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the shares of capital stock of the Corporation issued and outstanding and entitled to vote shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article ELEVENTH.

TWELFTH. Special meetings of stockholders may be called at any time by only the Chairman of the Board of Directors, the President or the Board of Directors. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. Notwithstanding any other provision of law, this Certificate of Incorporation or the By-Laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the shares of capital stock of the Corporation issued and outstanding and entitled to vote shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article TWELFTH.

* * * * *

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by its Vice President, General Counsel and Secretary this 3rd day of November, 1999.

AKAMAI TECHNOLOGIES, INC.

/s/ Robert O. Ball III

Name: Robert O. Ball III
Title: Vice President, General Counsel and Secretary

CERTIFICATE OF AMENDMENT

OF

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

AKAMAI TECHNOLOGIES, INC.

Akamai Technologies, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY AS FOLLOWS:

The Board of Directors of the Corporation, at a meeting held on January 18, 2000, duly adopted a resolution, pursuant to Section 242 of the General Corporation Law of the State of Delaware, setting forth an amendment to the Amended and Restated Certificate of Incorporation of the Corporation and declaring said amendment to be advisable. The stockholders of the Corporation duly approved said proposed amendment at the Annual Meeting of Stockholders of the Corporation held on May 24, 2000 in accordance with Section 242 of the General Corporation Law of the State of Delaware. The resolution setting forth the amendment is as follows:

RESOLVED: That the first paragraph of Article FOURTH of the Amended and Restated Certificate of Incorporation of the Corporation be and hereby is deleted in its entirety and that the following paragraph be inserted in lieu thereof:

"FOURTH. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 705,000,000 shares, consisting of (i) 700,000,000 shares of Common Stock, $.01 par value per share ("Common Stock"), and (ii) 5,000,000 shares of Preferred Stock, $.01 par value per share ("Preferred Stock")."

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be duly executed by its President on this 24th day of May, 2000.

AKAMAI TECHNOLOGIES, INC.

/s/ Paul Sagan

Paul Sagan, President

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM AKAMAI TECHNOLOGIES, INC.'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH CONSOLIDATED FINANCIAL STATEMENTS.

1,000
U.S. DOLLARS

3-MOS	6-MOS
DEC-31-2000	DEC-31-2000
APR-01-2000	JAN-01-2000
JUN-30-2000	JUN-30-2000
1	1
354,540	354,540
161,133	161,133
12,266	12,266
(616)	(616)
0	0
537,795	537,795
106,354	106,354
(13,791)	(13,791)
3,335,813	3,335,813
49,676	49,676
300,000	300,000
0	0
0	0
1,058	1,058
2,983,655	2,983,655
3,335,813	3,335,813
0	0
18,144	25,366
0	0
12,647	19,283
252,466	292,032
411	616
721	752
(243,166)	(278,521)
70	112
(243,236)	(278,633)
0	0
0	0
0	0
(243,236)	(278,633)
(2.78)	(3.43)
(2.78)	(3.43)