

Reconciliation of non-GAAP to GAAP financial measures

Akamai Technologies Inc.
December 31, 2005

The company has historically provided financial metrics, some of which are based on GAAP and others that are not prepared in accordance with GAAP (non-GAAP). Recent legislative and regulatory changes encourage the use of GAAP financial metrics and require companies to explain why non-GAAP financial metrics are relevant to management and investors.

Adjusted EBITDA - defined as net income before interest, taxes, depreciation and amortization of tangible and intangible assets, equity-related compensation, certain gains and losses on equity investments, release of the deferred tax asset valuation allowance, foreign exchange gains and losses, gains on legal settlements and loss on early extinguishment of debt.

	Three months ended				Twelve months ended	
	December 31, 2005	September 30, 2005	December 31, 2004	September 30, 2004	December 31, 2005	December 31, 2004
Net income	\$ 25,759	\$ 272,260	\$ 13,391	\$ 11,249	\$ 327,998	\$ 34,364
Interest (income) expense, net	(1,283)	567	1,319	1,533	1,067	8,055
Provision (benefit) for income taxes	275	(144)	187	71	1,233	772
Depreciation and amortization	5,658	5,242	3,738	4,148	19,086	18,761
Amortization of intangible assets	2,296	2,296	12	12	5,124	48
Equity-related compensation	1,582	1,383	236	249	3,849	1,292
Release of the deferred tax asset valuation allowance	(3,482)	(255,345)	-	-	(258,827)	-
Loss on early extinguishment of debt	-	1,370	852	634	1,370	6,768
Loss on investments, net	-	27	1	79	27	69
Other (income) expense, net	(205)	63	(1,180)	(101)	507	(1,061)
Adjusted-EBITDA	\$ 30,600	\$ 27,719	\$ 18,563	\$ 17,874	\$ 101,434	\$ 69,068

Adjusted EBITDA margin - defined as the percent of Adjusted EBITDA over revenues

Adjusted-EBITDA gross margin

	Three months ended				Twelve months ended	
	December 31, 2005	September 30, 2005	December 31, 2004	September 30, 2004	December 31, 2005	December 31, 2004
Revenues	\$ 82,657	\$ 75,713	\$ 57,576	\$ 53,286	\$ 283,115	\$ 210,015
Adjusted-EBITDA	30,600	27,719	18,563	17,874	101,434	69,068
Adjusted-EBITDA gross margin	37%	37%	32%	34%	36%	33%

Normalized net income - defined as net income before amortization on intangible assets, equity-related compensation, certain gains and losses on equity investments, release of the deferred tax asset valuation allowance and loss on early extinguishment of debt.

	Three months ended				Twelve months ended	
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Release of the deferred tax asset valuation allowance	(3,482)	(255,345)	-	-	(258,827)	-
Loss on investments, net	-	27	1	79	27	69
Normalized net income	\$ 25,155	\$ 21,991	\$ 14,492	\$ 12,223	\$ 79,541	\$ 42,541

Normalized net income per share - defined as normalized net income divided by the basic weighted average or diluted common shares outstanding used in normalized per share calculations.

	Three months ended				Twelve months ended	
	December 31, 2005	September 30, 2005	December 31, 2004	September 30, 2004	December 31, 2005	December 31, 2004
Normalized net income	\$ 25,155	\$ 21,991	\$ 14,492	\$ 12,223	\$ 79,541	\$ 42,541
Normalized net income per share:						
Basic	\$ 0.18	\$ 0.16	\$ 0.11	\$ 0.10	\$ 0.58	\$ 0.34
Diluted	\$ 0.16	\$ 0.14	\$ 0.10	\$ 0.09	\$ 0.52	\$ 0.31
Shares used in normalized per share calculations:						
Basic	148,293	139,204	126,261	125,518	136,167	124,407
Diluted	170,305	159,994	147,306	147,254	156,944	148,595

Diluted shares used in normalized per share calculation - defined as diluted common shares outstanding used in GAAP net income per share calculation, less securities that are antidilutive or plus the effect of securities that are dilutive in normalized net income per share calculation.

	<u>Three months ended</u> September 30, 2005
Diluted common shares outstanding used in GAAP net income per share calculation	160,362
Plus: effect of 1% convertible senior notes	-
Less: effect of 5 1/2% convertible subordinated notes	<u>(368)</u>
Diluted common shares outstanding used in normalized net income per share calculation	<u>159,994</u>

Net cash position - defined as total cash, cash equivalents and marketable securities, less long-term debt

	<u>As of</u> December 31, 2005
Cash and cash equivalents	\$ 91,792
Short-term marketable securities	199,886
Restricted short-term marketable securities	730
Long-term marketable securities	17,896
Restricted long-term marketable securities	<u>3,825</u>
Total cash, cash equivalents and marketable securities	314,129
Less: long-term debt	<u>(200,000)</u>
Net cash position	<u>\$ 114,129</u>

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

Cash operating expenses (excluding equity-related compensation, amortization and depreciation allocation)	<u>Three months ended</u>				<u>Twelve months ended</u>	
	December 31, 2005	September 30, 2005	December 31, 2004	September 30, 2004	December 31, 2005	December 31, 2004
GAAP operating expenses	\$ 45,509	\$ 41,620	\$ 31,836	\$ 28,073	\$ 154,085	\$ 114,698
Less: equity compensation	(1,582)	(1,383)	(236)	(249)	(3,849)	(1,288)
Less: amortization of intangibles	(2,296)	(2,296)	(12)	(12)	(5,124)	(48)
Less: depreciation and amortization	(892)	(881)	(1,007)	(1,024)	(3,572)	(4,731)
Cash operating expenses	<u>\$ 40,739</u>	<u>\$ 37,060</u>	<u>\$ 30,581</u>	<u>\$ 25,788</u>	<u>\$ 141,540</u>	<u>\$ 108,631</u>

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

Capex or Capital Expenditures	<u>Three months ended</u>				<u>Twelve months ended</u>	
	December 31, 2005	September 30, 2005	December 31, 2004	September 30, 2004	December 31, 2005	December 31, 2004
Purchases of property and equipment and capitalization of internal-use software	\$ 8,105	\$ 8,531	\$ 7,138	\$ 5,345	\$ 36,160	\$ 20,101