UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report: June 10, 2005
(Date of earliest event reported)

AKAMAI TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware	0-27275	04-3432319
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

8 Cambridge Center, Cambridge, Massachusetts 02142
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (617) 444-3000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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EXPLANATORY NOTE

On June 16, 2005, Akamai Technologies, Inc. ("Akamai or the "Registrant") filed a Current Report on Form 8-K filed with the Securities and Exchange Commission, which excluded certain financial statements which were not available at the time of filing. By this amendment, Akamai is filing the required financial statements and pro forma financial information in connection with the acquisition of Speedera Networks, Inc.

ITEM 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

Attached hereto as Exhibit 99.3 and incorporated by reference herein are the audited financial statements of Speedera Networks, Inc. for the years ended June 30, 2004 and 2003. Attached hereto as Exhibit 99.4 and incorporated by reference herein are the unaudited financial statements of Speedera Networks, Inc. for the nine months ended March 31, 2005 and 2004.

(b) Pro Forma Financial Information

Attached hereto as Exhibit 99.5 and incorporated by reference herein is unaudited pro forma combined condensed consolidated financial information for Akamai and Speedera Networks, Inc for the year ended December 31, 2004 and the three months ended March 31, 2005.

(c) Exhibits

23.1	Consent of PricewaterhouseCoopers LLP
23.2	Consent of BDO Seidman LLP
*99.1	Agreement and Plan of Merger by and among Akamai Technologies, Inc., Aquarius Acquisition Corp., Speedera Networks, Inc. and the representatives of the equity holders of Speedera Networks, Inc. named therein, dated March 16, 2005.
*99.2	Press Release dated June 13, 2005
99.3	Audited financial statements of Speedera Networks, Inc. for the years ended June 30, 2004 and 2003.
99.4	Unaudited financial statements of Speedera Networks, Inc. for the nine months ended March 31, 2005 and 2004.
99.5	Unaudited pro forma combined condensed consolidated financial information.

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* Previously filed.

SIGNATURE

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 hereunto duly authorized.

Date: August 26, 2005	AKAMAI TECHNOLOGIES, INC.
	By: /s/ Robert Cobuzzi
	Robert Cobuzzi, Chief Financial Officer

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-45696, 333-53906, 333-113513 and 333-126114) and Form S-8 (Nos. 333-62072, 333-37810, 333-36518, 333-35464, 333-35470, 333-35462, 333-31668, 333-89887, 333-89889, 333-91558, 333-83502 and 333-116452) of Akamai Technologies, Inc. of our report dated September 30, 2003, except for Note 12, which is as of November 21, 2003, relating to the financial statements of Speedera Networks, Inc., which appears in this Amendment No. 1 to Current Report on Form 8-K of Akamai Technologies, Inc. dated August 26, 2005.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
August 26, 2005

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-45696, 333-53906, 333-113513 and 333-126114) and Form S-8 (Nos. 333-62072, 333-37810, 333-36518, 333-35464, 333-35470, 333-35462, 333-31668, 333-89887, 333-89889, 333-91558, 333-83502 and 333-116452) of Akamai Technologies, Inc. of our report dated September 29, 2004, except for Note 11, which is as of October 14, 2004, relating to the financial statements of Speedera Networks, Inc., which appears in this Amendment No. 1 to the Current Report on Form 8-K of Akamai Technologies, Inc.

/s/ BDO SEIDMAN, LLP

San Francisco, California
August 26, 2005

EXHIBIT 99.3

SPEEDERA NETWORKS, INC.

FINANCIAL STATEMENTS
AS OF JUNE 30, 2004 AND 2003

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders of
Speedera Networks, Inc.

We have audited the balance sheet of Speedera Networks, Inc. as of June 30, 2004, and the related statements of operations, mandatorily redeemable convertible preferred stock and stockholders' deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Speedera Networks, Inc. as of June 30, 2003, were audited by other auditors whose report dated September 30, 2003, except for Note 12, which is as of November 21, 2003, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2004 financial statements referred to above present fairly, in all material respects, the financial position of Speedera Networks, Inc. at June 30, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

September 29, 2004, except for Note 11,
which is as of October 14, 2004

/s/ BDO Seidman, LLP

SPEEDERA NETWORKS, INC.

BALANCE SHEETS

(in thousands, except per share amounts)	JUNE 30, 2004	JUNE 30, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,213	$ 752
Accounts receivable, net of allowance for doubtful accounts of $213 and $400 in 2004 and 2003, respectively	2,575	1,571
Prepaid expenses and other current assets	670	223
Total current assets	5,458	2,546
Property and equipment, net	3,889	2,983
Other assets	155	166
Total assets	$ 9,502	$ 5,695
LIABILITIES, MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 2,393	$ 2,644
Accrued liabilities	1,435	1,490
Deferred revenue	640	182
Current portion of notes payable	750	-
Total current liabilities	5,218	4,316
Notes payable	1,049	-
Deferred rent	13	34
Total liabilities	6,280	4,350
Commitments and contingencies (Note 6)		
Mandatorily redeemable convertible preferred stock, $0.001 par value; 222,823 and 222,823 shares authorized at June 30, 2004 and 2003, respectively; 204,489 and 196,757 shares issued and outstanding at June 30, 2004 and 2003, respectively (Aggregate liquidation value of $62,836 at June 30, 2004)	45,848	40,545
Stockholders' deficit		
Common Stock, $0.001 par value; 400,000 and 400,000 shares authorized at June 30, 2004 and 2003, respectively; 21,623 and 21,389 shares issued and outstanding at June 30, 2004 and 2003, respectively	21	21
Additional paid in capital		-
Deferred stock-based compensation	-	(5)
Accumulated deficit	(42,647)	(39,216)
Total stockholders' deficit	(42,626)	(39,200)
Total liabilities, mandatorily redeemable convertible preferred stock and stockholders' deficit	$ 9,502	$ 5,695

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

SPEEDERA NETWORKS, INC.

STATEMENTS OF OPERATIONS

(in thousands)	YEAR ENDED JUNE 30, 2004	2003
Revenues	$ 22,466	$ 14,044
Costs and operating expenses:		
Cost of revenues	6,475	5,847
Engineering and development	989	765
Sales and marketing	5,257	4,301
General and administrative	6,342	5,048
Depreciation and amortization	2,222	4,165
Stock-based compensation	5	15
Total costs and operating expenses	21,290	20,141
Income (loss) from operations	1,176	(6,097)
Gain on debt restructuring	-	2,410
Interest expense	(99)	(170)
Other income, net	21	8
Net income (loss) before income taxes	1,098	(3,849)
Income tax expense	80	-
Net income (loss)	$ 1,018	$ (3,849)

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

SPEEDERA NETWORKS, INC.

STATEMENTS OF MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(in thousands)	MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED STOCK SHARES	AMOUNT	COMMON STOCK SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL
BALANCES AT JUNE 30, 2002	182,402	$ 35,194	21,386	$ 21	$ -
Issuance of Series C mandatorily redeemable convertible preferred stock, net of issuance costs	14,355	1,218	-	-	-
Dividend and accretion to redemption value relating to Series A, B and C mandatorily redeemable convertible preferred stock	-	4,133	-	-	(1)
Issuance of common stock upon exercise of stock options	-	-	3	-	1
Amortization of deferred stock-based compensation	-	-	-	-	
Net loss	-	-	-	-	-
BALANCES AT JUNE 30, 2003	196,757	40,545	21,389	21	-
Issuance of Series C mandatorily redeemable convertible preferred stock in lieu of cash payment to a vendor for services rendered in 2003	7,732	704	-	-	-
Dividend and accretion to redemption value relating to Series A, B and C mandatorily redeemable convertible preferred stock, net of issuance costs	-	4,599	-	-	(150)
Issuance of warrants to purchase preferred stock in conjunction with notes payable issuance	-	-	-	-	162
Issuance of common stock upon exercise of stock options	-	-	234	1	4
Repurchase of common stock	-	-	(420)	(1)	(16)
Amortization of deferred stock-based compensation	-	-	-	-	-
Net income	-	-	-	-	-
BALANCES AT JUNE 30, 2004	204,489	$ 45,848	21,203	$ 21	$ -

(in thousands)	DEFERRED STOCK-BASED COMPENSATION	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' DEFICIT
BALANCES AT JUNE 30, 2002	$ (20)	$ (31,235)	$ (31,234)
Issuance of Series C mandatorily redeemable convertible preferred stock, net of issuance costs	-	-	-
Dividend and accretion to redemption value relating to Series A, B and C mandatorily redeemable convertible preferred stock	-	(4,132)	(4,133)
Issuance of common stock upon exercise of stock options	-	-	1
Amortization of deferred stock-based compensation	15	-	15
Net loss	-	(3,849)	(3,849)
BALANCES AT JUNE 30, 2003	(5)	(39,216)	(39,200)
Issuance of Series C mandatorily redeemable convertible preferred stock in lieu of cash payment to a vendor for services rendered in 2003	-	-	-
Dividend and accretion to redemption value relating to Series A, B and C mandatorily redeemable convertible preferred stock, net of issuance costs	-	(4,449)	(4,599)
Issuance of warrants to purchase preferred stock in conjunction with notes payable issuance	-	-	162
Issuance of common stock upon exercise of stock options	-	-	5
Repurchase of common stock	-	-	(17)
Amortization of deferred stock-based compensation	5	-	5
Net income	-	1,018	1,018
BALANCES AT JUNE 30, 2004	$ -	$ (42,647)	$ (42,626)

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

SPEEDERA NETWORKS, INC.

STATEMENTS OF CASH FLOWS

(in thousands)	YEAR ENDED JUNE 30, 2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 1,018	$(3,849)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Gain on debt restructuring	-	(2,410)
Depreciation and amortization	2,222	4,165
Allowance for doubtful accounts	(187)	215
Loss on disposal of fixed assets	49	75
Stock-based compensation expense	5	15
Non-cash interest expense	37	142
Changes in current assets and liabilities:		
Accounts receivable	(817)	(427)
Prepaid expenses and other assets	(312)	(78)
Accounts payable	439	1,038
Accrued liabilities	(42)	553
Deferred revenue	458	(67)
Deferred rent	(21)	21
Net cash provided by (used in) operating activities	2,849	(607)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(3,175)	(1,158)
Net cash used in investing activities	(3,175)	(1,158)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	2,000	-
Principal payments on notes payable	(201)	(700)
Proceeds from credit line borrowings	1,620	-
Principal payments on credit line borrowings	(1,620)	-
Proceeds from issuance of Series C mandatorily redeemable convertible preferred stock, net of issuance costs	-	1,000
Proceeds from exercise of common stock options	5	1
Repurchase of restricted common stock	(17)	-
Net cash provided by financing activities	1,787	301
Net increase (decrease) in cash and cash equivalents	1,461	(1,464)
Cash and cash equivalents at beginning of period	752	2,216
Cash and cash equivalents at end of period	$ 2,213	$ 752
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 41	$ 110
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of Series C mandatorily redeemable convertible preferred stock for services renderred	$ 704	$ 218
Issuance of warrants to purchase Series C mandatorily redeemable convertible preferred stock for services renderred in conjunction with notes payable issuance	$ 162	$ -
Dividends and accretion of mandatorily redeemable convertible preferred stock	$ 4,599	$ 4,133
Accounts payable related to property and equipment purchases	$ 2	$ 67

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

SPEEDERA NETWORKS, INC.

NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Speedera Networks, Inc. (the "Company") was incorporated in the state of Delaware on October 12, 1999. The Company provides services, powered by a next-generation internet content distribution network with global traffic management, through a subscription service. The Company's services are primarily designed to resolve network congestion by routing internet traffic and delivering content and transactions around busy or failed network segments.

The Company has completed several rounds of private equity financing and debt financing. Since inception through June 30, 2004, the Company has incurred substantial losses and negative cash flows from operations. Management expected and has reached operating cash flow breakeven in fiscal 2004, however, they cannot guarantee that operating income and positive cash flows will continue in the foreseeable future because of additional costs and expenses related to marketing and other promotional activities, continued expansion of operations, continued development of the Company's software, web site and information technology infrastructure, expansion of product offerings and development of relationships with other businesses. Failure to generate sufficient revenues, raise additional capital or reduce certain discretionary spending could have a material adverse effect on the Company's ability to achieve its intended business objectives.

2. SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates used in these financial statements include, but are not limited to, allowance for doubtful accounts, contingencies, depreciation and amortization of property, equipment and capitalized software and the valuation allowance on deferred tax assets.

REVENUE RECOGNITION

The Company recognizes revenue from content delivery and streaming services based on the amount of data delivered and stored on its network. The service agreements generally commit the customer to a monthly minimum commitment plus additional fees for usage above the minimum commitment. Revenue is recognized for the greater of the actual usage or the monthly minimum commitment when all of the following conditions are met: the customer has signed a contract, the service has been delivered, the fee is fixed or determinable and collection is reasonably assured. Revenue from other services such as load balancing, monitoring and hosting is recognized each month, as performed, for the duration of the applicable contract provided that the fee is fixed or determinable and collection is reasonably assured. The Company records installation and set-up fees as deferred revenue and recognizes these fees ratably over the life of the customer contract.

COST OF REVENUE

Cost of revenue consists primarily of fees paid to network providers for bandwidth and housing servers in third-party network data centers. Cost of revenue also includes network operation employee costs and cost of licenses. The Company enters into bandwidth contracts with third-party providers that generally commit the Company to pay minimum monthly fees plus additional fees for bandwidth usage above the committed usage.

RISKS AND UNCERTAINTIES

The Company is subject to all of the risks inherent to a company conducting content distribution services over the Internet. These risks include, but are not limited to, a limited operating history, ability to generate profitable operations or to obtain additional financing, limited management resources, dependence upon consumer acceptance of the Internet and the changing nature of the content distribution services industry. The Company's operating results may be materially affected by the foregoing factors.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The reported amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable, approximate fair value due to their short maturities.

The carrying amounts of notes payable approximate fair value because the contractual interest rates approximate the interest rates the Company could obtain on similar financing transactions.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash, cash equivalents and accounts receivable.

The Company's cash and cash equivalents are deposited with two major financial institutions in the United States of America. At times, such deposits may be in excess of insured limits. Management believes that the Company's investments in cash equivalents are financially sound and have minimal credit risk.

The Company's accounts receivable are derived from revenue earned from customers located in the U.S., Europe and Asia. The Company performs credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers. For the years ended June 30, 2004 and June 30, 2003, no single customer accounted for greater than 10% of the Company's total revenues. At June 30, 2004 and June 30, 2003, no single customer accounted for greater than 10% of accounts receivable.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company's allowance for doubtful accounts is an estimate consisting of specifically identified accounts receivable which management believes may be partially or wholly un-collectible and a general reserve based on the Company's experience in collecting customer accounts receivables.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Computers, software and other equipment	1 - 3 years
Furnitures and fixtures	5 years
Leasehold improvements	Shorter of the lease term or the estimated useful lives

Upon sale or retirement of assets, the cost and related accumulated depreciation and amortization are removed from the balance sheet and the resulting gain or loss is reflected in other income. Repairs and maintenance costs are expensed as incurred.

ENGINEERING AND DEVELOPMENT EXPENSES

Engineering and development costs are expensed as incurred, except for certain software development costs associated with internal use software. These costs are accounted for in accordance with Statement of Position ("SOP") 98-1 and Emerging Issues Task Force ("EITF") Issue No. 00 - 02, which require these costs to be charged to operations until certain capitalization criteria are met. During the years ended June 30, 2004 and 2003, software development costs of approximately $502,000 and $448,000, respectively, were capitalized and included in property and equipment. Total amortization of software development costs for the years ended June 30, 2004 and 2003 was approximately $781,000 and $994,000, respectively.

ACCOUNTING FOR LONG-LIVED ASSETS

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying from the asset. There have been no such impairments of long-lived assets as of June 30, 2004.

ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising costs for the years ended June 30, 2004 and 2003 were approximately $61,000 and $70,000, respectively.

STOCK-BASED COMPENSATION

The Company follows Statement of Financial Accounting Standards ("SFAS") No. 148, Accounting for Stock-Based Compensation, Transition and Disclosure. SFAS No. 148 also requires that disclosures of the pro forma effect of using the fair value method of accounting for stock-based employee compensation be displayed more prominently and in a tabular format. During the year ended June 30, 2004, there were no stock based awards to non-employees.

Employee stock awards under the Company's compensation plans are accounted for in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations, including FASB Interpretation ("FIN") No. 44, Accounting for Certain Transactions Involving Stock Compensation (an Interpretation of APB Opinion No. 25), and related interpretations. The Company also provides the disclosures required by SFAS No. 123, Accounting for Stock-Based Compensation and related interpretations thereof.

Had compensation expense for the Company's stock-based compensation plan been determined based on the fair value at the grant dates for the awards under a method prescribed by SFAS No. 123, the Company's net income (loss) for the periods presented would have been increased to the pro forma amounts indicated below (in thousands):

	YEAR ENDED JUNE 30,	
(in thousands)	2004	2003
Net income (loss), as reported	$ 1,018	$(3,849)
Stock-based compensation included in net income (loss), as reported, net of applicable tax effects	3	9
Fair value of stock-based compensation, net of applicable tax effects	(11)	(34)
Pro forma income (loss)	$ 1,010	$(3,874)

These pro forma amounts may not be representative of the effects on pro forma net income (loss) for future years as options vest over several years and additional awards are generally made each year.

Stock-based awards to nonemployees are accounted for under the provisions of SFAS No. 123 and EITF Issue No. 96-18, Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling, Goods or Services. Compensation expense resulting from non-employee options is amortized under the provisions of FASB Interpretation No. 28, Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans - An Interpretation of APB Opinions No. 15 and 25, as amended.

STOCK OPTION PLAN

On October 12, 1999, the Company adopted the "1999 Equity Incentive Plan" (the "Plan"). The Plan provides for the granting of stock options to employees and consultants of the Company. Options granted under the Plan may be either incentive stock options or non-qualified stock options. Incentive stock options ("ISOs") may be granted only to Company employees (including officers and directors who are also employees). Non-qualified stock options ("NSOs") may be granted to Company employees and consultants. As of June 30, 2004, the Company had reserved approximately 51,189,000 shares of common stock for issuance under the Plan (see also Note 11).

Options under the Plan may be granted for periods of up to ten years and at prices no less than 85% of the estimated fair value of the shares on the date of grant as determined by the Board of Directors, provided, however, that (i) the exercise price of an ISO and NSO shall not be less than 100% and 85% of the estimated fair value of the shares on the date of grant, respectively, and (ii) the exercise price of an ISO and NSO granted to a 10% shareholder shall not be less than 110% of the estimated fair value of the shares on the date of grant. Options may have a maximum term of up to 10 years as determined by the Board of Directors. To date, options granted generally vest over four years.

The following table summarizes activity under the Plan:

(in thousands, except per share amounts)	SHARES AVAILABLE FOR GRANT	OPTIONS OUTSTANDING NUMBER OF SHARES	OPTIONS OUTSTANDING WEIGHTED AVERAGE EXERCISE PRICE
BALANCES, JUNE 30, 2002	5,268	23,307	$ 0.03
Options granted	(2,025)	2,025	0.01
Options exercised	-	(3)	0.05
Options cancelled	2,048	(2,048)	0.03
BALANCES, JUNE 30, 2003	5,291	23,281	0.03
Shares reserved	17,530	-	-
Options granted	(24,270)	24,270	0.01
Options exercised	-	(234)	0.02
Options cancelled	3,807	(3,807)	0.04
Shares repurchased	420	-	-
BALANCES, JUNE 30, 2004	2,778	43,510	$ 0.02

The options outstanding and exercisable by exercise price at June 30, 2004 are as follows:

EXERCISE PRICE	NUMBER OUTSTANDING (in thousands)	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	OPTIONS EXERCISABLE AT JUNE 30, 2004 (in thousands)
$ 0.005 - 0.025	41,202	8.8 years	11,556
$ 0.04 - 0.05	1,758	6.6 years	1,534
$ 0.12 - 0.50	548	6.4 years	512
$ 2.00	2	6.0 years	2
	43,510		13,604

At June 30, 2004 approximately 13,604,000 options were exercisable.

The fair value of each employee option grant is estimated on the date of grant using the minimum value method with the following assumptions:

	JUNE 30, 2004	JUNE 30, 2003
Risk-free interest rate	3.50%	1.25%
Expected life	4 years	4 years
Dividend yield	0%	0%
Weighted average fair value of options granted during the year	0.001	$0.001

COMPREHENSIVE INCOME (LOSS)

For the years ended June 30, 2004 and 2003, there was no difference between net income (loss) and comprehensive income (loss).

RECLASSIFICATIONS

Certain amounts reported in prior year have been reclassified to conform to the 2004 presentation.

SPEEDERA NETWORKS, INC.

NOTES TO FINANCIAL STATEMENTS

3. BALANCE SHEET COMPONENTS

(in thousands)	JUNE 30, 2004	JUNE 30, 2003
PROPERTY AND EQUIPMENT, NET:		
Computers, software and other equipment	$ 16,874	$ 15,334
Furniture and fixtures	340	295
Leasehold improvements	120	115
	17,334	15,744
Less: Accumulated depreciation and amortization	(13,445)	(12,761)
	$ 3,889	$ 2,983
ACCRUED LIABILITIES:		
Payroll and related expenses	$ 822	$ 1,032
Accrued co-location expenses	126	247
Operating and other accrued liabilities	487	211
	$ 1,435	$ 1,490

4. INCOME TAXES

The provision for income taxes is summarized below:

(in thousands)	JUNE 30, 2004	JUNE 30, 2003
CURRENT:		
Federal	$ -	$ -
State	80	-
Total provision for income taxes	$ 80	$ -

The components of net deferred tax assets are as follows:

(in thousands)	JUNE 30, 2004	JUNE 30, 2003
DEFERRED TAX ASSETS:		
Net operating loss carryforwards	$ 11,663	$ 8,309
Accruals, reserves and others	570	738
Fixed and intangible assets	718	53
	12,951	9,100
DEFERRED TAX LIABILITIES:		
Internally developed software	(368)	-
Gross deferred tax assets	12,583	9,100
Less: Valuation allowance	(12,583)	(9,100)
Net deferred tax asset	$ -	$ -

Management believes that, based on a number of factors, it is more likely than not that the deferred tax assets will not be fully realizable. Accordingly, the Company has provided a full valuation allowance against its deferred tax assets as of June 30, 2004 and June 30, 2003.

The Company's actual tax provision differs from the expected federal rate of 34% due primarily to state taxes of approximately $80,000, meals & entertainment of approximately $18,000, warrants of approximately $17,000 and the net change in valuation allowance for deferred tax assets net of true-up of approximately $(408,000).

As of June 30, 2004, the Company had approximately $29 million and $28 million of federal and state net operating loss carryforwards available to offset future taxable income, respectively. The federal and state net operating losses will begin to expire in 2020 and 2008, respectively.

Under the Tax Reform Act of 1986, the amount of benefit from net operating loss carryforwards may be impaired or limited in certain circumstances. Events which cause limitations in the amount of net operating losses that the Company may utilize in any one year include, but are not limited to, a cumulative ownership change of more than 50%, as defined, over a three year period.

5. BORROWINGS

SUBORDINATED LOAN AND SECURITY AGREEMENT

In April 2000, the Company entered into a subordinated loan and security agreement to borrow up to $5 million, in minimum advances of $250,000, at an interest rate of 12% per annum under which the Company borrowed the maximum aggregate amount. In March 2001, an agreement was made to amend the original terms of the subordinated loan and security agreement. Pursuant to these amended terms, $2 million of the then outstanding principal was converted into shares of Series B mandatorily redeemable convertible preferred stock at $0.233 per share. The remaining principal balance of approximately $2.7 million was to be payable in monthly installments commencing on January 1, 2003 and any unpaid principal and interest was due in full on June 1, 2004. Accrued interest of approximately $298,000, for the months of February 2001 through December 2001 was paid in Series B preferred stock at a conversion rate of $0.233 per share. The remaining interest was to be paid in cash. In connection with this subordinated loan and security agreement, the Company issued a warrant to purchase shares of Series B mandatorily redeemable preferred stock (Note 7).

In January 2002, the Company entered into an agreement to terminate the subordinated loan and security agreement. Pursuant to this termination, approximately $468,000 was paid in cash and approximately $272,000 was converted into shares of Series C mandatorily redeemable convertible preferred stock at $0.091 per share. The remaining principal and accrued interest of approximately $2.0 million was forgiven by the lender and recorded as a gain on the debt restructuring. The remaining unamortized loan fee of approximately $185,000 was offset to the gain on debt restructuring.

PROMISSORY NOTE

In May 2000, the Company entered into a promissory note agreement to borrow up to $10 million at an interest rate of 10.75% per annum under which the Company borrowed approximately $8.1 million. In March 2001, the Company entered into an agreement to amend the original terms of the promissory note. Pursuant to these amended terms, $2 million of the then outstanding principal was converted into shares of Series B mandatorily redeemable convertible preferred stock at $0.233 per share and approximately $408,000 of accrued interest converted into outstanding principal resulting in a note balance of approximately $6.5 million. Pursuant to the amended terms, interest was due and payable quarterly commencing on January 1, 2002. Principal was to be paid in cash in eighteen equal monthly installments beginning on January 1, 2003. In connection with this note, the Company issued a warrant to purchase shares of Series B mandatorily redeemable preferred stock (Note 7).

In January 2002, the Company entered into an agreement to further amend the original terms of the promissory note. Pursuant to these amended terms, $700,000 was paid in cash and approximately $3.4 million of the then outstanding principal and interest was forgiven by the lender and recorded as a gain on debt restructuring, resulting in a note balance of approximately $3 million. The unamortized debt discount of approximately $245,000 was offset to the gain on debt restructuring.

In November 2002, the Company entered into an agreement to terminate the promissory note. Pursuant to this termination, $700,000 was paid in cash and approximately $2.6 million of the remaining outstanding principal and interest was forgiven by the lender and recorded as a gain on debt restructuring. The unamortized debt discount of approximately $172,000 was offset to the gain on debt restructuring.

CREDIT FACILITIES

In November 2003, the Company entered into a credit facility agreement with a bank. This agreement consists of an accounts receivable revolver, with maximum borrowings equal to the lesser of 80% of eligible receivables or $1.5 million, a non-formula term loan of $500,000, and a term loan of $500,000 collateralised by equipment purchases. The accounts receivable revolver bears interest equal to the prime rate in effect from time to time, plus three percent per annum, provided that the interest rate in effect on any day shall not be less than seven percent per annum. The non-formula term loan and the term loan bear interest at seven percent. The accounts receivable revolver expires in November 2004. The non-formula term loan and term loan mature in January 2006 and November 2006, respectively. As of June 30, 2004, there were no borrowings outstanding under the accounts receivable revolver and an outstanding balance of approximately $396,000 and $403,000 under the non-formula term loan and the term loan, respectively. The credit facility contains certain financial covenants, with which the Company was in compliance at June 30, 2004.

In May 2004, an agreement was made to amend the original terms of the credit facility agreement above. In addition to the above loans the bank made a non-formula term loan (No. 2) of an amount not to exceed $1 million and a non-formula term loan (No. 3) of an amount not to exceed $500,000 to the Company. As of June 30, 2004, the outstanding balance for non-formula term loan No. 2 was $1 million and matures in June 2007. The non-formula term loan No. 3 shall be made in a single advance after September 16, 2004 and prior to March 31, 2005 given all terms and conditions are met (See note 11). Borrowings under these loans bear interest at a fixed rate equal to the prime rate in effect as of the date of the advance, plus three percent per annum, provided that the interest rate in effect on any day shall not be less than seven percent per annum.

In conjunction with the November 2003 and May 2004 credit facilities with a bank, in addition to accounts receivable, substantially all of the Company's equipment and registered patents and trademarks are being used as collateral. Further, in conjunction with the November 2003 credit facility and May 2004 credit facility amendment, the Company issued warrants to the bank (Note 7).

Principal payments under the bank loans are as follows:

(in thousands) YEAR ENDING JUNE 30,	
2005	$ 750
2006	646
2007	403
	1,799
Less: current portion	(750)
Notes payable - long-term portion	$ 1,049

6. COMMITMENTS AND CONTINGENCIES

BANDWIDTH USAGE AND CO-LOCATION COMMITMENTS

The Company has commitments for bandwidth usage and co-location with network service providers that expire at various dates through 2005. For the year ending June 30, 2005, the minimum commitment is approximately $3,195,000. Some of these agreements may be amended to either increase or decrease the minimum commitments during the life of the contract.

LEASE COMMITMENTS

The Company leases its principal operating facilities under noncancelable operating leases. Rent expense was approximately $503,000 and $495,000 for the years ended June 30, 2004 and 2003, respectively.

Future minimum lease payments under noncancelable operating leases are as follows (see also Note 11):

(in thousands)

YEAR ENDING JUNE 30,	OPERATING LEASES
2005	$300

CONTINGENCIES

LITIGATION

In June 2002, a competitor filed suit in California Superior Court against the Company, alleging theft of its trade secrets from an independent company that provides website performance testing services. In October 2002, the Company filed a cross-claim against the competitor seeking monetary damages and injunctive relief and alleging that the competitor engaged in various unfair trade practices, made false and misleading statements and engaged in unfair competition.

In fiscal 2002 and 2003, the competitor filed suits against the Company for violations of certain patents held by the competitor. The Company has filed counterclaims in these cases, including that the competitor has infringed a patent that was issued to the Company.

In January 2004, another competitor filed suit in United States District Court in Delaware against the Company, alleging infringement of certain patents held by the competitor. The Company filed a counterclaim against the competitor alleging infringement of certain patents held by the Company.

The Company's management believe that they have meritorious defenses and counterclaims, and intend to vigorously defend these actions. During the year ended June 30, 2004, the Company incurred approximately $4 million in legal fees to defend the above claims. The outcome is not known at this time and accordingly no amounts have been accrued in the accompanying financial statements.

The Company is involved in various other lawsuits and claims arising from the conduct of its business. The Company's management believes that the disposition of these matters will not have a material effect on the financial position of the Company.

INDEMNIFICATIONS

FIN No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including indirect Guarantees of Indebtedness of Others , requires that upon issuance of a guarantee, the guarantor must disclose and recognize a liability for the fair value of the obligation it assumes under that guarantee. As of June 30, 2004 and 2003, the Company's management believes the fair value of guarantees the Company issued or modified after December 31, 2002 were nominal.

In the normal course of business to facilitate sales of its services, the Company indemnifies other parties, including business partners, customers, lessors, preferred stock holders and parties to other transactions with the Company, with respect to certain matters. The Company has agreed to hold the other party harmless against losses arising from a breach of representations or covenants, or out of intellectual property infringement or other claims made against certain parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. In addition, the Company has entered into indemnification agreements with an agent and an employee, and the Company's bylaws contain similar indemnification obligations to the Company's officers and directors.

It is not possible to determine the maximum potential exposure or amount under these indemnification agreements due to the Company having no prior indemnification claims and the unique facts and circumstances involved in each particular agreement. However, the Company has an errors and omissions insurance policy that may enable it to recover a portion of any future amounts paid.

7. WARRANTS

WARRANT ISSUED IN CONJUNCTION WITH THE SUBORDINATED LOAN AND SECURITY AGREEMENT

In April 2000, the Company issued a warrant to purchase shares of Series B mandatorily redeemable convertible preferred stock at $0.233 per share. This warrant expires five years from the date of grant. The Company valued the warrant using the Black-Scholes option pricing model applying an expected life of five years, a weighted average risk free rate of 6.71%, a dividend yield of zero percent and volatility of 80%. The fair value of approximately $451,000 represents loan fees on the loan and was amortized over the loan term. During the year ended June 30, 2002, approximately $86,000 was amortized as interest expense and approximately $185,000 was offset to the gain on debt restructuring upon termination of the subordinated loan and security agreement. At June 30, 2004, none of the warrants issued had been exercised.

WARRANT ISSUED IN CONJUNCTION WITH THE PROMISSORY NOTE

In May 2000, the Company issued a warrant to purchase shares of Series B mandatorily redeemable convertible preferred stock at $0.233 per share. This warrant expires four years from the date of grant. The Company valued the warrant using the Black-Scholes option pricing model applying an expected life of four years, a weighted average risk free rate of 6.75%, a dividend yield of zero percent and volatility of 80%. The fair value of approximately $878,000 represents additional interest on the promissory note and is being expensed over its term using the effective interest rate method. During the year ended June 30, 2002, approximately $175,000 was amortized as interest expense and approximately $245,000 was offset to the gain on debt restructuring upon amendment of the promissory note. During the year ended June 30, 2003, approximately $43,000 was amortized as interest expense and approximately $172,000 was offset to the gain on debt restructuring upon termination of the promissory note. At June 30, 2004, none of the warrants issued had been exercised.

WARRANTS ISSUED IN CONJUNCTION WITH THE EQUIPMENT LEASE AGREEMENT

In January 2000, the Company issued warrants to purchase shares of Series A mandatorily redeemable convertible preferred stock at $0.233 per share. These warrants expire five years from the date of grant. The Company valued the warrants using the Black-Scholes option pricing model applying expected lives of five years, a weighted average risk free rate of 6.62%, a dividend yield of zero percent and volatility of 80%. The fair value of approximately $52,000 represents loan fees on the loan and was amortized over the loan term. During the year ended June 30, 2002, approximately $9,000 was amortized as interest expense and approximately $22,000 was offset to the gain on debt restructuring upon termination of the lease agreement. At June 30, 2004, none of the warrants issued had been exercised.

In April 2000, the Company issued a warrant to purchase shares of Series B mandatorily redeemable convertible preferred stock at $0.233 per share. This warrant expires five years from the date of grant. The Company valued the warrant using the Black-Scholes option pricing model applying an expected life of five years, a weighted average risk free rate of 6.76%, a dividend yield of zero percent and volatility of 80%. The fair value of approximately $496,000 represents loan fees on the loan and was amortized over the loan term. During the year ended June 30, 2002, approximately $81,000 was amortized as interest expense and approximately $243,000 was offset to the gain on debt restructuring upon termination of the lease agreement. At June 30, 2004, none of the warrants issued had been exercised.

WARRANTS ISSUED IN CONJUNCTION WITH SERVICES RENDERED

In January 2002, the Company issued warrants to purchase shares of Series C mandatorily redeemable convertible preferred stock at $0.09 per share in conjunction with services rendered in connection with the Company's debt restructuring. These warrants expire five years from the date of grant. The Company valued the warrants using the Black-Scholes option pricing model applying expected lives of four years, a weighted average risk free rate of 4.4%, a dividend yield of zero percent and volatility of 100%. All of the fair value of approximately $97,500 was offset to the gain on debt restructuring in fiscal 2002. At June 30, 2004, none of the warrants issued had been exercised.

In November 2003, the Company issued warrants to purchase shares of Series C mandatorily redeemable convertible preferred stock at $0.091 per share in conjunction with services rendered in connection with a credit facility. These warrants expire seven years from date of grant. The Company valued the warrants using the Black-Scholes option pricing model applying expected lives of four years, a weighted average risk free rate of 4.17%, a dividend yield of zero percent and volatility of 80%. The fair value of approximately $90,000 represents loan fees on the loan and is being amortized over the credit term. During the year ended June 30, 2004, approximately $35,000 was amortized. At June 30, 2004, none of the warrants issued had been exercised.

In May 2004, the Company issued warrants to purchase shares of Series C mandatorily redeemable convertible preferred stock at $0.091 per share in conjunction with services rendered in connection with a credit facility. These warrants expire seven years from date of grant. The Company valued the warrants using the Black-Scholes option pricing model applying expected lives of four years, a weighted average risk free rate of 3.45%, a dividend yield of zero percent and volatility of 80%. The fair value of approximately $71,000 represents loan fees on the loan and is being amortized over the loan term. During the year ended June 30, 2004, approximately $2,000 was amortized. At June 30, 2004, none of the warrants issued had been exercised.

The purchase price of the preferred stock for warrants issued in November 2003 and May 2004 is based on the holder being able to convert into the most recent round of financing or the next round of financing. In the event that the next round of financing, if any, is priced at below the holder's conversion price of $0.091 per share, then the Company would be required to issue additional warrants such that the holder maintains the same level of valuation.

8. MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED STOCK

Mandatorily redeemable convertible preferred stock ("Preferred Stock") at June 30, 2004 consists of the following:

(in thousands) SERIES	SHARES AUTHORIZED	SHARES OUTSTANDING	LIQUIDATION AMOUNT	PROCEEDS NET OF ISSUANCE COSTS
A	7,523	7,433	$ 5,575	$ 5,530
B	122,463	110,189	31,278	20,034
C	92,837	86,867	25,983	7,344
	222,823	204,489	$ 62,836	$ 32,908

The rights with respect to Series A, Series B and Series C Preferred Stocks are as follows:

VOTING

Each share of the Series A, Series B and Series C Preferred Stock has voting rights equal to an equivalent number of shares of common stock into which it is convertible and, except with respect to rights related to the election of directors and certain protective provisions, has the same voting rights and powers as shares of common stock.

DIVIDENDS

Holders of Series A Preferred Stock are entitled to receive non-cumulative dividends at the per annum rate of $0.06 per share. The dividends are payable when and if declared by the Board of Directors. No dividends on the Series A Preferred Stock have been declared by the Board of Directors from inception through June 30, 2004.

Holders of Series B Preferred Stock are entitled to receive cumulative dividends at the per annum rate of 6% per share. The dividends are payable when declared by the Board of Directors. No dividends on the Series B Preferred Stock have been declared by the Board of Directors from inception through June 30, 2004.

Holders of Series C Preferred Stock are entitled to receive cumulative dividends at the per annum rate of 12% per share, when declared by the Board of Directors. No dividends on the Series C Preferred Stock have been declared by the Board of Directors from inception through June 30, 2004.

LIQUIDATION

In the event of any liquidation, dissolution or winding up of the Company, including a merger, acquisition or sale of assets where the beneficial owners of the Company's common stock and Preferred Stock own less than a majority of the resulting voting power of the surviving entity. The holders of Series A Preferred Stock are entitled to receive, prior and in preference to the holders of common stock, an amount of $0.75 per share plus all declared but unpaid dividends on Series A Preferred Stock. The holders of Series B Preferred Stock are entitled to receive, prior and in preference to the holders of Series A Preferred Stock and common stock, $0.233 per share plus all declared or accrued but unpaid dividends on the Series B Preferred Stock. The holders of Series C Preferred Stock are entitled to receive, prior and in preference to the holders of Series A Preferred Stock, Series B Preferred Stock and common stock, $0.273 per share plus all declared or accrued but unpaid dividends on the Series C Preferred Stock.

Should the Company's legally available assets be insufficient to satisfy the liquidation preferences of the Series C Preferred Stock, the funds will be distributed ratably among the holders of Series C Preferred Stock in proportion to the amount of such stock owned by each holder. Should the Company's legally available assets be insufficient to satisfy the liquidation preferences of the Series B Preferred Stock after the full satisfaction of the liquidation preferences of the Series C Preferred Stock, such remaining funds will be distributed ratably among the holders of Series B Preferred Stock in proportion to the amount of such stock held by each holder. Should the Company's legally available assets be insufficient to satisfy the liquidation preferences of the Series A Preferred Stock after the full satisfaction of the liquidation preferences of the Series B and Series C Preferred Stock, such remaining funds will be distributed ratably among the holders of Series A Preferred Stock in proportion to the amount of such stock held by each holder. The remaining assets, if any, shall be distributed among the holders of common stock prorated based on the number of shares held by each holder of common stock.

CONVERSION

Each share of Series A, Series B and Series C Preferred Stock is convertible, at the option of the holder, according to a conversion ratio of two shares, one share and one share of common stock for one share of Series A, Series B and Series C Preferred Stock, respectively, subject to adjustment for dilution, common stock splits and declared or accrued but unpaid dividends.

Each share of Series A, Series B and Series C Preferred Stock automatically converts into the number of shares of common stock into which such shares are convertible at the then effective conversion ratio upon the closing of a public offering of common stock at a per share price of at least $3.00 per share, with gross proceeds of at least $50 million. Each share of the Series A, Series B or Series C Preferred Stock automatically converts into the number or shares of common stock into which such shares are convertible at the then effective conversion ratio if the holders of a majority of the shares of the Series A, Series B or Series C Preferred Stock, respectively, consent to such conversion.

REDEMPTION (SEE NOTE 11)

Upon written request of a majority of the holders of the outstanding Series C Preferred Stock, the outstanding Series C Preferred Stock may be redeemed at any time after May 31, 2005. The Company shall redeem on the day which is one month following its receipt of such written redemption request and on the last day of each successive calendar quarter thereafter, a number of shares of Series C Preferred Stock equal to at least 12.5% of the then outstanding shares of Series C Preferred Stock, until all Series C Preferred Stock has been redeemed or converted to common stock. The redemption price shall be approximately $0.091 per share of Series C, plus any declared or accrued but unpaid dividends.

Upon written request of a majority of the holders of the outstanding Series B Preferred Stock, and provided that no shares of Series C Preferred Stock are then outstanding, the outstanding Series B Preferred Stock may be redeemed at any time after May 31, 2005. The Company shall redeem on the day which is one month following its receipt of such written redemption request and on the last day of each successive calendar quarter thereafter, a number of shares of Series B Preferred Stock equal to at least 12.5% of the then outstanding shares of Series B Preferred Stock, until all Series B Preferred Stock has been redeemed or converted to common stock. The redemption price shall be approximately $0.233 per share of Series B, plus any declared or accrued but unpaid dividends.

Upon written request of a majority of the holders of the outstanding Series A Preferred Stock, and provided that no shares of Series C or Series B Preferred Stock are then outstanding, the outstanding Series A Preferred Stock may be redeemed at any time after May 31, 2005. The Company shall redeem on the day which is one month following its receipt of such written redemption request and on the last day of each successive calendar year thereafter, a number of shares of Series A Preferred Stock equal to at least 12.5% of the then outstanding shares of Series A Preferred Stock, until all shares of Series A Preferred Stock have been redeemed or converted to common stock. The redemption price shall be $0.75 per share of Series A Preferred Stock, plus any declared but unpaid dividends.

9. RESTRICTED COMMON STOCK

In October 1999, the Company granted its founders 16,000,000 shares of restricted common stock subject to vesting. Under the terms of the related restricted stock agreements, the Company has the right to repurchase unvested shares of common stock at $0.005 per share, in the event that the founders cease to be employees of the Company. The fair value of the common stock is being amortized as compensation expense over a four-year vesting period. Compensation expense of $5,000 and $15,000 was recognized in the years ended June 30, 2004 and 2003, respectively. At June 30, 2004, there were no shares of common stock subject to repurchase rights of the Company.

10. EMPLOYEE BENEFIT PLAN

The Company sponsors a 401(k) defined contribution plan covering all employees. Contributions made by the Company are determined annually by the Board of Directors. No contributions have been made under this plan since inception.

11. SUBSEQUENT EVENTS

FACILITY LEASE

In July 2004, the Company entered into a noncancelable operating lease for its new facility in Bangalore, India. Future minimum lease payments under this lease are $112,000, $127,000, $133,000, $140,000, $147,000, and $12,000, during the fiscal years ending June 30 of 2005, 2006, 2007, 2008, 2009 and thereafter, respectively.

STOCK OPTION PLAN

In September 2004, the Company reserved an additional 20,600,000 shares of common stock for issuance under the "1999 Equity Incentive Plan" and granted approximately 20,779,000 of the then available shares under the Plan.

CREDIT FACILITY BORROWING

In September 2004, the Company borrowed the $500,000 available under the non-formula term loan No. 3 from the bank (see Note 5).

REDEMPTION

On October 14, 2004, the holders of Series A, Series B and Series C Preferred Stocks agreed to extend the earliest date at which they may redeem their shares of Mandatorily Redeemable Convertible Preferred Stock to November 15, 2005.

12. 2003 SUBSEQUENT EVENTS (AS OF NOVEMBER 21, 2003)

PREFERRED STOCK

In October 2003, the Company and one of its attorneys reached an agreement to exchange 7,732,332 shares of Series C preferred stock for $703,642 in outstanding legal fees due the attorney.

CREDIT FACILITY

In November 2003, the Company entered into a credit facility agreement with a bank, whereby the Company may borrow up to $2,500,000. The credit facility agreement permits borrowings under a) a $1,500,000 secured revolving line collateralized by eligible accounts receivable that matures 12 months from the date of documentation, b) a $500,000 non-formula term loan that is repayable in monthly installments over 24 months from the date of documentation, and c) a $500,000 secured loan collateralized by eligible equipment that is repayable in monthly installments over 36 months from the date of documentation. These borrowings bear interest at Prime + 3.00% (Prime is determined at the time of the borrowing, currently 4.00%) with a minimum rate of 7.00%. In connection with this credit facility, the Company issued a warrant to purchase shares of preferred stock at the lower of $0.091, or the price of a subsequent round of equity financing, if that round occurs prior to November 2010. The number of shares to be issued will be equal to $125,000 divided by the warrant price.

REDEMPTION

In November 2003, the holders of Series A, Series B and Series C Preferred Stock agreed to extend the earliest date at which they may redeem their shares of Mandatorily Redeemable Convertible Preferred Stock to May 31, 2005.

SPEEDERA NETWORKS, INC.

Financial Statements
As of June 30, 2004 and 2003

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders of
Speedera Networks, Inc.

In our opinion, the accompanying balance sheet and the related statements of operations, of mandatorily redeemable convertible preferred stock and stockholders' deficit and of cash flows present fairly, in all material respects, the financial position of Speedera Networks, Inc. (the "Company") at June 30, 2003, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

September 30, 2003, except for Note 12,
which is as of November 21, 2003

/s/ PricewaterhouseCoopers LLP

EXHIBIT 99.4

SPEEDERA NETWORKS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
MARCH 31, 2005 AND 2004
(UNAUDITED)
(in thousands, except per share data)

	MARCH 31, 2005	MARCH 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,674	$ 1,112
Accounts receivable, net	4,848	2,780
Prepaid expenses and other current assets	559	410
Total current assets	10,081	4,302
Property and equipment, net	4,792	3,938
Other assets	166	136
Total assets	$ 15,039	$ 8,376
LIABILITIES, MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 5,114	$ 2,435
Accrued expenses	1,920	973
Deferred revenue	738	726
Current portion of obligations under capital leases	427	-
Current portion of notes payable	875	417
Total current liabilities	9,074	4,551
Other liabilities	583	18
Notes payable, net of current portion	778	486
Total liabilities	10,435	5,055
Commitments, contingencies and guarantees		
Mandatorily redeemable convertible preferred stock:		
Preferred stock, $0.001 par value;	48,762	44,707
Stockholders' deficit:		
Common stock, $0.001 par value	39	21
Accumulated other comprehensive income	2	-
Accumulated deficit	(44,199)	(41,407)
Total stockholders' deficit	(44,158)	(41,386)
Total liabilities, mandatorily redeemable convertible preferred stock and stockholders' deficit	$ 15,039	$ 8,376

See accompanying notes to the unaudited condensed consolidated financial statements.

SPEEDERA NETWORKS,INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2005 AND 2004
(UNAUDITED)
(in thousands)

	FOR THE NINE MONTHS ENDED MARCH 31, 2005	2004
Services Revenues	$ 25,360	$ 16,572
Cost and operating expenses:		
Cost of revenues	9,164	6,393
Research and development	1,094	727
Sales and marketing	5,294	3,583
General and administrative	8,521	4,695
Total cost and operating expenses	24,073	15,398
Income from operations	1,287	1,174
Interest income	14	28
Interest expense	(166)	(38)
Other income, net	43	24
Income before provision for income taxes	1,178	1,188
Provision for income taxes	-	-
Net income	$ 1,178	$ 1,188

See accompanying notes to the unaudited condensed consolidated financial statements.

SPEEDERA NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2005 AND 2004
(UNAUDITED)
(in thousands)

	FOR THE NINE MONTHS ENDED MARCH 31, 2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,178	$ 1,188
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,557	1,643
Allowance for doubtful accounts	173	(229)
Stock based compensation expense	-	5
Foreign currency gains, net	(4)	-
Non-cash interest expense	49	-
Changes in current assets and liabilities:		
Accounts receivable	(2,335)	(980)
Prepaid expenses and other assets	(57)	(66)
Accounts payable and accured expenses	3,602	73
Deferred revenue	98	544
Other noncurrent liabilities	(14)	(15)
Net cash provided by operating activities	4,247	2,163
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,795)	(2,694)
Net cash used in investing activities	(1,795)	(2,694)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	500	1,000
Principal payments on notes payable	(646)	(97)
Proceeds from credit line borrowings	-	1,620
Principal payments on credit line borrowings	-	(1,620)
Payments on capital leases	(50)	-
Proceeds from the exercise of common stock options	205	5
Repurchase of restricted common stock	-	(17)
Net cash provided by financing activities	9	891
Net increase in cash and cash equivalents	2,461	360
Cash and cash equivalents at the beginning of the period	2,213	752
Cash and cash equivalents at the end of the period	$ 4,674	$ 1,112
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 114	$ 33
Cash paid for income taxes	$ 2	$ -
Non-cash financing and investing activities:		
Dividends and accretion of mandatorily redeemable convertible preferred stock	$ 2,914	$ 3,458
Issuance of Series C mandatorily redeemable convertible preferred stock for services rendered	$ -	$ 704
Assets acquired under capital lease obligations	$ 551	$ -
Issuance of warrants to purchase Series C mandatorily redeemable convertible preferred stock for services in conjuction with notes payable issuance	$ -	$ 90

See accompanying notes to the unaudited condensed consolidated financial statements.

NOTE 1 - NATURE OF BUSINESS, BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

Speedera Networks, Inc (the "Company" or "Speedera") was incorporated in the state of Delaware on October 12, 1999. The Company provides Internet content distribution services with global traffic management through a subscription service. The Company's services are primarily designed to resolve network congestion by routing internet traffic and delivering content and transactions around busy or failed network segments.

The accompanying condensed consolidated financial statements include the accounts of Speedera and its wholly-owned subsidiaries. Intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, these unaudited statements include all adjustments and accruals consisting only of normal recurring adjustments that are necessary for a fair presentation of the results of all interim periods reported herein. The results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for future periods.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash, cash equivalents and accounts receivables.

The Company's cash and cash equivalents are deposited with two major financial institutions in the United States of America. At times, such deposits may be in excess of insured limits. Management believes that the Company's investments in cash and cash equivalents have minimal credit risk and the financial institutions that hold the Company's cash and cash equivalents are of high credit standing.

The Company's accounts receivables are derived from revenue earned from customers located in the United States, Europe and Asia. The Company performs credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers. For the nine months ended March 31, 2005 and 2004, no single customer accounted for greater than 10% of the Company's total revenues. At March 31, 2004, one customer accounted for 15% of accounts receivable. At March 31, 2005, no single customer accounted for greater than 10% of accounts receivable.

NOTE 3 - ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

	AS OF MARCH 31, 2005	AS OF MARCH 31, 2004
Payroll and other related benefits	$ 985	$ 945
Property, use and other taxes	146	23
Legal professional fees	453	-
Interest	12	5
Other	324	-
Total	$ 1,920	$ 973

NOTE 4 - BORROWINGS

CREDIT FACILITIES

In November 2003, the Company entered into a credit facility agreement with a bank. This agreement consists of an accounts receivable revolver, with maximum borrowings equal to the lesser of 80% of eligible receivables or $1.5 million, a non-formula term loan of $500,000, and a term loan of $500,000 collateralized by equipment purchases. The accounts receivable revolver bears interest equal to the prime rate in effect from time to time, plus three percent per annum, provided that the interest rate in effect on any day shall not be less than seven percent per annum. The non-formula term loan and the term loan bear interest at seven percent. The accounts receivable revolver expired in November 2004. The non-formula term loan and term loan mature in January 2006 and

November 2006, respectively. In connection with the acquisition of Speedera by Akamai, the credit facility agreement was terminated.

Borrowings under these loans bear interest at a fixed rate equal to the prime rate in effect as of the date of the advance, plus three percent per annum, provided that the interest rate in effect on any day shall not be less than seven percent per annum.

In conjunction with the November 2003 and May 2004 credit facilities with a bank, in addition to accounts receivable, substantially all of the Company's equipment and registered patents and trademarks were being used as collateral. Further, in conjunction with the November 2003 credit facility and May 2004 credit facility amendment, the Company issued warrants to the bank.

In May 2004, an agreement was made to amend the original terms of the credit facility agreement above. In addition to the above loans the bank made a non-formula term loan (No. 2) of an amount not to exceed $1 million and a non-formula term loan (No. 3) of an amount not to exceed $500,000 to the Company. As of June 10, 2005, all borrowings under the credit facility were repaid as part of the merger agreement with Akamai Technologies, Inc.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

BANDWIDTH USAGE AND CO-LOCATION COMMITMENTS

The Company has commitments for bandwidth usage and co-location with network service providers that expire at various dates through 2006.

LEASE COMMITMENTS

The Company leases its principal operating facilities under noncancelable operating leases. In March 2005, the Company renewed its existing lease for a term of 3 years. The renewal allows for a one-time lease buy-out at the end of March 2006 for a settlement amount of $40,000. As a result of the merger with Akamai Technologies, Inc., which was completed on June 10, 2005, the Company expects to terminate its lease arrangement at the end of March 2006.

CONTINGENCIES

LITIGATION

The Company and Akamai were involved in lawsuits against each other regarding patent infringement and false advertising and trade secrets. Upon completion of the acquisition of Speedera by Akamai on June 10, 2005, all lawsuits between the parties were dismissed.

In January 2004, another competitor filed suit in United States District Court in Delaware against the Company, alleging infringement of certain patents held by the competitor. The Company filed a counterclaim against the competitor alleging infringement of certain patents held by the Company. In February 2005, the Company reached a settlement agreement with the competitor. The settlement is payable on a quarterly basis, through February 2008. The settlement has been accrued as of March 31, 2005.

INDEMNIFICATIONS

FIN No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including indirect Guarantees of Indebtedness of Others, requires that upon issuance of a guarantee, the guarantor must disclose and recognize a liability for the fair value of the obligation it assumes under that guarantee. As of March 31, 2005 and 2004, the Company's management believes the fair value of guarantees the Company issued or modified after December 31, 2002 were nominal. In the normal course of business to facilitate sales of its services, the Company indemnifies other parties, including business partners, customers, lessors, preferred stock holders and parties to other transactions with the Company, with respect to certain matters. The Company has agreed to hold the other party harmless against losses arising from a breach of representations or covenants, or out of intellectual property infringement or other claims made against certain parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. In addition, the Company has entered into indemnification agreements with an agent and an employee, and the Company's bylaws contain similar indemnification obligations to the Company's officers and directors.

It is not possible to determine the maximum potential exposure or amount under these indemnification agreements due to the Company having no prior indemnification claims and the unique facts and circumstances involved in each particular agreement. However, the Company has an errors and omissions insurance policy that may enable it to recover a portion of any future amounts paid.

EXHIBIT 99.5

AKAMAI TECHNOLOGIES, INC.

SPEEDERA NETWORKS, INC.

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

On June 10, 2005, Akamai Technologies, Inc. (the "Company" or "Akamai") acquired privately held Speedera Networks, Inc. ("Speedera"). The Company acquired all of the outstanding common and preferred stock, including vested and unvested stock options, of Speedera in exchange for approximately 10.6 million shares of Akamai common stock and 1.7 million Akamai stock options. The aggregate purchase price, net of cash received, was approximately $143.2 million, which consisted of $122.1 million in shares of common stock, $18.4 million in fair value of the Company's stock options and transaction costs of $2.7 million, which primarily consisted of fees for financial advisory and legal services. The purchase price allocation is preliminary and a final determination of required purchase accounting adjustment will be made upon the completion of the Company's evaluation of the assets acquired and liabilities assumed.

The unaudited combined condensed pro forma balance sheet as of March 31, 2005 is based on the individual balance sheets of Akamai and Speedera and prepared as if the acquisition of Speedera had occurred on March 31, 2005. The unaudited combined condensed pro forma statements of operations for the year ended December 31, 2004 and for the three months ended March 31, 2005, were prepared as if the acquisition of Speedera had occurred on January 1, 2004.

The unaudited pro forma adjustments are based upon available information and assumptions that Akamai believes are reasonable. The unaudited pro forma combined condensed consolidated financial statements and related notes thereto should be read in conjunction with Akamai's historical consolidated financial statements as previously filed on Akamai's Annual Report on Form 10-K for the year ended December 31, 2004, filed with the Securities and Exchange Commission (the "Commission") on March 16, 2005 and the Quarterly Report on Form 10-Q for the three months ended March 31, 2005, filed with the Commission on May 10, 2005. In addition, this unaudited combined condensed pro forma information should be read in conjunction with the historical condensed consolidated financial statements of Speedera included within this Amendment to Current Report on Form 8-K/A. The historical income statement of Speedera for the twelve months ended December 31, 2004 is based on combining the last six months of results of operation from Speedera's fiscal year ended June 30, 2004 with the first six months of results of operations from Speedera's fiscal year ended June 30, 2005.

These unaudited combined condensed pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisition of Speedera been consummated as of January 1, 2004 for the unaudited combined condensed pro forma statements of operations and as of March 31, 2005 for the unaudited combined condensed pro forma balance sheets. The pro forma financial statements do not give effect to any cost savings or incremental costs that may result from the integration of Akamai and Speedera.

AKAMAI TECHNOLOGIES, INC.

PRO FORMA COMBINED CONDENSED BALANCE SHEET
MARCH 31, 2005
(UNAUDITED)
(in thousands)

	AKAMAI	SPEEDERA	PRO FORMA ADJUSTMENTS	AKAMAI PRO FORMA COMBINED
ASSETS				
Current assets:				
Cash and cash equivalents	$ 39,881	$ 4,674	$ -	$ 44,555
Marketable securities	43,602	-	-	43,602
Restricted marketable securities	932	-	-	932
Accounts receivable, net	34,285	4,848	-	39,133
Prepaid expenses and other current assets	6,337	559	-	6,896
Total current assets	125,037	10,081	-	135,118
Property and equipment, net	31,007	4,792	(2,032)B	33,767
Marketable securities	29,884	-	-	29,884
Restricted marketable securities	3,722	-	-	3,722
Goodwill	4,937	-	92,766 C	97,703
Other intangible assets, net	179	-	43,200 D	43,379
Other assets	6,844	166	(1,210)N	5,800
Total assets	$ 201,610	$ 15,039	$ 132,724	$ 349,373
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY				
Current liabilities:				
Accounts payable	$ 13,202	$ 5,114	$ -	$ 18,316
Accrued expenses	32,903	1,920	6,585 F,O	41,408
Deferred revenue	2,816	738	(161)E	3,393
Current portion of obligations under capital leases and vendor financing	98	427	-	525
Current portion of notes payable	-	875	(875)I	-
Current portion of accrued restructuring	1,380	-	813 F	2,193
Total current liabilities	50,399	9,074	6,362	65,835
Accrued restructuring, net of current portion	1,920	-	941 F	2,861
Other liabilities	3,180	583	-	3,763
Notes payable, net of current portion	-	778	(778)I	-
1% convertible senior notes	200,000	-	-	200,000
5 1/2% convertible subordinated notes	56,614	-	-	56,614
Total liabilities	312,113	10,435	6,525	329,073
Commitments, contingencies and guarantees				
Mandatorily redeemable convertible preferred stock	-	48,762	(48,762)A	-
Stockholders' (deficit) equity:				
Common stock	1,274	39	67 A, M	1,380
Additional paid-in capital	3,453,220	-	140,433 M	3,593,653
Deferred stock compensation	(713)	-	(9,736)K	(10,449)
Accumulated other comprehensive income	869	2	(2)A	869
Accumulated deficit	(3,565,153)	(44,199)	44,199 A	(3,565,153)
Total stockholders' (deficit) equity	(110,503)	(44,158)	174,961	20,300
Total liabilities and stockholders' (deficit) equity	$ 201,610	$ 15,039	$ 132,724	$ 349,373

See accompanying notes to the unaudited pro forma combined condensed financial statements.

AKAMAI TECHNOLOGIES, INC.

PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2004
(UNAUDITED)
(in thousands, except per share data)

	AKAMAI	SPEEDERA	PRO FORMA ADJUSTMENTS	AKAMAI PRO FORMA COMBINED
Revenues:				
Services	$ 206,762	$ 27,508	$ -	$ 234,270
Software and software-related	3,253	-	-	3,253
Total revenues	210,015	27,508	-	237,523
Cost and operating expenses:				
Cost of revenues	46,150	9,569	(466)J	55,253
Research and development	12,132	1,197	1,292 L	14,621
Sales and marketing	55,663	6,151	987 L	62,801
General and administrative	47,055	8,925	2,022 J, L, O	58,002
Amortization of other intangible assets	48	-	9,136 H	9,184
Total cost and operating expenses	161,048	25,842	12,971	199,861
Income (loss) from operations	48,967	1,666	(12,971)	37,662
Interest income	2,158	55	-	2,213
Interest expense	(10,213)	(204)	198 I	(10,219)
Other income (expense), net	1,061	44	-	1,105
(Loss) gain on investments, net	(69)	-	-	(69)
Loss on early extinguishment of debt	(6,768)	-	-	(6,768)
Income (loss) before provision for income taxes	35,136	1,561	(12,773)	23,924
Provision for income taxes	772	78	(335)G	515
Net income (loss)	$ 34,364	$ 1,483	$ (12,438)	$ 23,409
Net income (loss) per common and potential common share:				
Basic	$ 0.28			$ 0.17
Diluted	$ 0.25			$ 0.16
Shares used in per share calculations:				
Basic	124,407			135,047
Diluted	146,595			145,524

See accompanying notes to the unaudited pro forma combined condensed financial statements.

AKAMAI TECHNOLOGIES, INC.

PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2005
(UNAUDITED)
(in thousands, except per share data)

	AKAMAI	SPEEDERA	PRO FORMA ADJUSTMENTS	AKAMAI PRO FORMA COMBINED
Revenues:				
Services	$ 59,579	$ 10,163	$ -	$ 69,742
Software and software-related	517	-	-	517
Total revenues	60,096	10,163	-	70,259
Cost and operating expenses:				
Cost of revenues	11,524	3,977	(361)J	15,140
Research and development	3,629	429	213 L	4,271
Sales and marketing	16,745	2,182	211 L	19,138
General and administrative	11,839	3,555	389 J, L, O	15,783
Amortization of other intangible assets	12	-	1,931 H	1,943
Total cost and operating expenses	43,749	10,143	2,383	56,275
Income (loss) from operations	16,347	20	(2,383)	13,984
Interest income	598	12	-	610
Interest expense	(1,611)	(44)	37 I	(1,618)
Other income (expense), net	(726)	13	-	(713)
(Loss) gain on investments, net	-	-	-	-
Income (loss) before provision for income taxes	14,608	1	(2,346)	12,263
Provision for income taxes	529	-	(60)G	469
Net income (loss)	$ 14,079	$ 1	$ (2,286)	$ 11,794
Net income (loss) per common and potential common share:				
Basic	$ 0.11			$ 0.09
Diluted	$ 0.10			$ 0.08
Shares used in per share calculations:				
Basic	127,051			137,691
Diluted	147,282			159,095

See accompanying notes to the unaudited pro forma combined condensed financial statements.

NOTE 1 - BASIS OF PRESENTATION

The unaudited pro forma combined condensed statements of operations for the year ended December 31, 2004 and for the three months ended March 31, 2005 give effect to the acquisition of Speedera by Akamai as if the acquisition had occurred on January 1, 2004. The unaudited pro forma combined condensed balance sheet as of March 31, 2005 gives effect to the above-mentioned acquisition as if it had occurred on March 31, 2005.

The unaudited combined condensed pro forma financial information has been prepared on the same basis as Akamai's audited financial statements. The acquisition was accounted for using the purchase method of accounting and, accordingly, the respective assets acquired and liabilities assumed have been recorded at their fair value and consolidated into the net assets of Akamai.

A summary of the preliminary purchase price allocation for the acquisition as if the purchase had occurred on March 31, 2005 is as follows (in thousands):

	AS OF MARCH 31, 2005
Total consideration:	
Common stock issued	122,126
Fair value of stock options	18,413
Transaction costs accrued	1,434
Transaction costs paid	1,210
Total purchase consideration	$ 143,183
Allocation of the purchase consideration:	
Current assets, including cash of $4,674	10,081
Fixed assets	2,760
Long-term assets	166
Identifiable intangible assets	43,200
Goodwill	92,766
Total assets acquired	148,973
Fair value of liabilities assumed, including deferred revenue of $577	(15,526)
Deferred compensation	9,736
	$ 143,183

Based upon the purchase price allocation, the total purchase price exceeded the net assets acquired and liabilities assumed when adjusted to fair market value and resulted in goodwill in the pro forma combined condensed financial information of approximately $92.8 million. The identified intangible assets acquired, including completed technologies, customer relationships and non-compete agreements were assigned fair values based upon an appraisal and totaled $43.2 million in aggregate.

NOTE 2 - PRO FORMA ADJUSTMENTS

Adjustments have been made to the unaudited pro forma combined financial information to reflect the following:

(A) The elimination of the historic stockholders' deficit of Speedera.

(B) The fixed assets were recorded at estimated fair market value of $2.8 million.

(C) Record goodwill of $92.8 million for excess of the purchase price over the preliminary fair values of the assets acquired less the liabilities assumed.

(D) Record the preliminary estimate of fair value for intangible assets determined at the time of acquisition of $43.2 million. The following are identified intangible assets acquired and the respective estimated useful lives over which the assets will be amortized:

	AMOUNT (In thousands)	AMORTIZATION PERIOD (In years)
Completed technologies	$ 1,000	1-4
Customer relationships	40,900	8
Non-compete agreements	1,300	3
Total	$ 43,200	

The completed technologies and the non-compete agreements will be amortized on a straight-line basis over their expected useful lives. The customer relationships will be amortized at the ratio that current revenues generated from those customer relationships bear to the total estimated revenues to be generated from those relationships from the date of acquisition. Annual amortization expense from the customer relationships is expected to be $5.4 million for the remainder of 2005 and $6.6 million, $5.2 million, $4.5 million, $3.7 million and $3.1 million for each of the next five fiscal years, respectively.

(E) Represents adjustment of deferred revenue to fair market value.

(F) Reflects accruals for Akamai's direct costs of the acquisition of $1.4 million, $1.7 million of accrued restructuring liabilities consisting of employee severance and outplacement costs and $3.8 million of Speedera's transaction costs due at the acquisition date.

(G) Record income taxes based on statutory rates applied to the net effect of changes in the results of operations.

(H) Represents the amortization expense related to identified intangible assets acquired.

(I) Represents elimination of Speedera's notes payable outstanding of $1.7 million and reduction in related interest expense during the pro forma periods presented that was repaid at the time of acquisition, which is directly attributable to the business combination.

(J) Record depreciation expense for acquired fixed assets based on the estimate of fair values determined at the time of acquisition. Depreciation expense is calculated on straight-line basis over estimated useful lives of 12 to 48 months. As a result of recording Speedera's fixed assets at estimated fair market value, the depreciation expense included in the pro forma adjustments column was reduced for the periods presented in the pro forma statements of operations.

(K) Record deferred compensation of $9.7 million related to the intrinsic value allocated to the unvested options issued in the acquisition that had yet to be earned as of the acquisition date.

(L) Record deferred compensation expense related to options issued in the acquisition which had been earned over the periods presented in the statement of operations included in the unaudited pro forma combined condensed financial statements.

(M) Record the issuance of 10.6 million shares of Akamai common stock of $122.1 million and $18.4 million in fair value of 1.7 million of exchanged stock options.

(N) Reclassification of $1.2 million of Akamai transaction costs paid as of March 31, 2005 from other long-term assets to the total purchase consideration.

(O) Record non-income tax expense, including property taxes and sales taxes, to conform with Akamai's policy on non-income tax reserves and accruals.

NOTE 3 - NET INCOME PER SHARE

Pro forma basic net income per share is computed using the weighted average number of common shares outstanding during the applicable quarter and assumes that common shares for the business combination were issued at the beginning of the period presented. Pro forma diluted net income per share is computed using the weighted average number of common shares outstanding during the quarter, assuming the common shares for the business combination were issued at the beginning of the periods presented, plus the dilutive effect of potential common stock. Potential common stock consists of stock options, deferred stock units, warrants, unvested restricted common stock and convertible notes.

The following table sets forth the components used in the computation of pro forma basic and diluted net income per common share (in thousands, except per share data):

	FOR THE THREE MONTHS ENDED MARCH 31, 2005	FOR THE YEAR ENDED DECEMBER 31, 2004
Numerator:		
Pro forma net income	$ 11,794	$ 23,409
Add back of interest expense on 1% convertible senior notes	710	-
Numerator for pro forma diluted net income	$ 12,504	$ 23,409
Denominator:		
Denominator for basic net income per common share	127,051	124,407
Pro forma shares issued for the business combination	10,640	10,640
Denominator for pro forma basic net income per common share	137,691	135,047
Effect of dilutive securities:		
Stock options	8,327	10,356
Warrants	-	12
Restricted common stock and deferred stock units	132	109
1% convertible senior notes	12,945	-
Denominator for pro forma diluted net income per common share	159,095	145,524
Pro forma basic net income per common share	$ 0.09	$ 0.17
Pro forma diluted net income per common share	$ 0.08	$ 0.16

For the year ended December 31, 2004, the Company's 1% convertible senior notes are antidilutive under the sequential calculation of diluted share count in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share."