Akamai Technologies, Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
December 31, 2013

In addition to providing financial measurements based on generally accepted accounting principles in the United States of America (GAAP), Akamai provides additional financial metrics that are not prepared in accordance with GAAP (non-GAAP). Management uses non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate Akamai's financial performance.

Management believes that these non-GAAP financial measures reflect Akamai's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in its business, as they exclude expenses and gains that may be infrequent, unusual in nature and not reflective of Akamai's ongoing operating results. Management also believes that these non-GAAP financial measures provide useful information to investors in understanding and evaluating Akamai's operating results and future prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

The non-GAAP financial measures do not replace the presentation of Akamai's GAAP financial results and should only be used as a supplement to, not as a substitute for, Akamai's financial results presented in accordance with GAAP. Akamai has provided a reconciliation of each non-GAAP financial measure used in its financial reporting to the most directly comparable GAAP financial measure. This reconciliation captioned "Reconciliation of GAAP to Non-GAAP Financial Measures" can be found on the Investor Relations section of Akamai's website.

Akamai's definitions of its non-GAAP financial measures are outlined below:

Adjusted EBITDA – GAAP net income excluding the following items: interest; income taxes; depreciation and amortization of tangible and intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; restructuring charges; acquisition-related costs; certain gains and losses on investments; gains and other activity related to divestiture of a business; foreign exchange gains and losses; loss on early extinguishment of debt; gains and losses on legal settlements and other non-recurring or unusual items that may arise from time to time.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Net income	$ 80,349	$ 79,756	$ 68,292	$ 293,487	$ 203,989
Interest income, net	(1,534)	(1,458)	(1,590)	(6,077)	(6,455)
Provision for income taxes	36,546	20,918	29,236	126,067	117,602
Depreciation and amortization	43,108	40,871	47,648	154,807	175,521
Amortization of capitalized stock-based compensation	1,974	2,224	1,961	8,077	7,680
Amortization of acquired intangible assets	4,894	4,859	5,351	21,547	20,962
Stock-based compensation	23,673	24,479	21,405	95,884	90,585
Restructuring charges	952	69	392	1,843	406
Acquisition-related costs	1,266	219	680	1,853	5,787
Gain and other activity related to divestiture of a business	—	1,093	—	(1,188)	—
Other expense (income), net	395	305	(200)	491	(649)
Adjusted EBITDA	$ 191,623	$ 173,335	$ 173,175	$ 696,791	$ 615,428

Adjusted EBITDA margin – Adjusted EBITDA stated as a percentage of revenue.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Revenue	$ 435,980	$ 395,790	$ 377,872	$ 1,577,922	$ 1,373,947
Adjusted EBITDA	191,623	173,335	173,175	696,791	615,428
Adjusted EBITDA margin	44%	44%	46%	44%	45%

Non-GAAP net income – GAAP net income adjusted for the following tax-effected items: amortization of acquired intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; restructuring charges; acquisition-related costs; certain gains and losses on investments; gains and other activity related to divestiture of a business; loss on early extinguishment of debt; gains and losses on legal settlements and other non-recurring or unusual items that may arise from time to time.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Net income	$ 80,349	$ 79,756	$ 68,292	$ 293,487	$ 203,989
Amortization of acquired intangible assets	4,894	4,859	5,351	21,547	20,962
Stock-based compensation	23,673	24,479	21,405	95,884	90,585
Amortization of capitalized stock-based compensation	1,974	2,224	1,961	8,077	7,680
Restructuring charges	952	69	392	1,843	406
Acquisition related costs	1,266	219	680	1,853	5,787
Gain and other activity related to divestiture of a business	—	1,093	—	(1,188)	—
Income tax-effect of above non-GAAP adjustments	(13,233)	(22,439)	(8,054)	(54,124)	(38,061)
Non-GAAP net income	$ 99,875	$ 90,260	$ 90,027	$ 367,379	$ 291,348

Non-GAAP net income per share – Non-GAAP net income divided by the basic weighted average or diluted common shares outstanding used in GAAP net income per share calculations.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Non-GAAP net income	$ 99,875	$ 90,260	$ 90,027	$ 367,379	$ 291,348
Non-GAAP net income per share:					
Basic	$ 0.56	$ 0.51	$ 0.51	$ 2.06	$ 1.64
Diluted	$ 0.55	$ 0.50	$ 0.50	$ 2.02	$ 1.60
Shares used in per share calculations:					
Basic	178,758	178,235	177,479	178,196	177,900
Diluted	182,258	181,922	181,768	181,783	181,749

Cash operating expenses (cash opex) – GAAP operating expenses (consisting of research and development, sales and marketing, general and administrative, amortization of acquired intangible assets and restructuring charges), excluding stock-based compensation, amortization of acquired intangible assets, depreciation and amortization, restructuring charges, acquisition-related costs and gains and other activity related to divestiture of a business.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
GAAP operating expenses	$ 186,273	$ 164,230	$ 142,640	$ 652,867	$ 529,560
Less:					
Stock-based compensation	21,036	21,594	18,700	85,017	79,276
Amortization of acquired intangible assets	4,894	4,859	5,351	21,547	20,962
Depreciation and amortization	8,133	7,054	5,582	26,990	20,020
Restructuring charges	952	69	392	1,843	406
Acquisition related costs	1,266	219	680	1,853	5,787
Gain and other activity related to divestiture of a business, net	—	1,093	—	(1,188)	—
Cash operating expenses	$ 149,992	$ 129,342	$ 111,935	$ 516,805	$ 403,109

Cash cost of revenue – GAAP cost of revenue, excluding stock-based compensation and depreciation and amortization.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
GAAP cost of revenue	$ 133,951	$ 132,039	$ 139,494	$ 511,087	$ 529,900
Less:					
Stock-based compensation	2,637	2,885	2,705	10,867	11,309
Depreciation and amortization	36,949	36,041	44,027	135,894	163,181
Cash cost of revenue	$ 94,365	$ 93,113	$ 92,762	$ 364,326	$ 355,410

Cash gross profit – Revenue less cash cost of revenue.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Revenue	$ 435,980	$ 395,790	$ 377,872	$ 1,577,922	$ 1,373,947
Cash cost of revenue	94,365	93,113	92,762	364,326	355,410
Cash gross profit	$ 341,615	$ 302,677	$ 285,110	$ 1,213,596	$ 1,018,537

Cash gross margin – Revenue less GAAP cost of revenue, excluding stock-based compensation and depreciation and amortization, as a percentage of revenue.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Revenue	$ 435,980	$ 395,790	$ 377,872	$ 1,577,922	$ 1,373,947
Cash gross profit	341,615	302,677	285,110	1,213,596	1,018,537
Cash gross margin	78%	76%	75%	77%	74%

Revenue, adjusted for ADS divestiture – Revenue excluding the impact of Akamai's Advertising Decision Solutions (ADS) divestiture.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Revenue	$ 435,980	$ 395,790	$ 377,872	$ 1,577,922	$ 1,373,947
Less: ADS revenue	—	—	(13,350)	(2,747)	(43,971)
Revenue, adjusted for ADS divestiture	$ 435,980	$ 395,790	$ 364,522	$ 1,575,175	$ 1,329,976

Capital expenditures (capex) – Purchases of property and equipment, capitalization of internal-use software development costs and capitalization of stock-based compensation.

	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Purchases of property and equipment	$ 42,751	$ 42,058	$ 47,588	$ 185,009	$ 166,246
Capitalization of internal-use software development costs	20,118	20,044	14,283	75,289	54,204
Capitalization of stock-based compensation	3,073	3,069	2,582	12,325	9,276
Capital expenditure	$ 65,942	$ 65,171	$ 64,453	$ 272,623	$ 229,726

Capex margin – Capital expenditures, or capex, as a percentage of revenue.

Non-GAAP Tax Rate – GAAP tax rate excluding the tax effect of non-GAAP adjustments and certain discrete income tax items.

Impact of Foreign Currency Exchange Rates on Revenue – Revenue from Akamai's international operations has historically represented a significant portion of its total revenue. Consequently, Akamai's revenue results have been impacted, and management expects it will continue to be impacted, by fluctuations in foreign currency exchange rates. For example, when the local currencies of Akamai's foreign subsidiaries weaken, its consolidated results stated in U.S. dollars are negatively impacted.

Because exchange rates are an important factor in understanding period-to-period comparisons, management believes the presentation of the impact of foreign currency exchanges rates on revenue enhances the understanding of Akamai's revenue results and evaluation of its performance in comparison to prior periods. The information presented is calculated by translating current period results using the same foreign currency exchange rates per month from the comparative period.

The non-GAAP adjustments, and Akamai's basis for excluding them from non-GAAP financial measures, are outlined below:

Amortization of acquired intangible assets – Akamai has incurred amortization of intangible assets, included in its GAAP financial statements, related to various acquisitions Akamai has made. The amount of an acquisition's purchase price allocated to intangible assets and term of its related amortization can vary significantly and are unique to each acquisition; therefore, Akamai excludes amortization of acquired intangible assets to provide investors with a consistent basis for comparing pre- and post-acquisition operating results.

Stock-based compensation and amortization of capitalized stock-based compensation – Although stock-based compensation is an important aspect of the compensation to Akamai's employees and executives, the expense varies with changes in the stock price and market conditions at the time of grant, varying valuation methodologies, subjective assumptions and the variety of award types. This makes the comparison of Akamai's current financial results to previous and future periods difficult to interpret; therefore, Akamai believes it is useful to exclude stock-based compensation and amortization of capitalized stock-based compensation in order to better understand the performance of Akamai's core business performance and to be consistent with the way the investors evaluate its performance and comparison of its operating results to peer companies.

Restructuring charges – Akamai has incurred restructuring charges which are included in its GAAP financial statements, primarily related to workforce reductions and estimated costs of exiting facility lease commitments. Akamai excludes these items when evaluating its continuing business performance as such items are not consistently recurring and not do reflect expected future operating expense, nor provide meaningful evaluation of current and past operations of its business.

Acquisition related costs – Acquisition related costs include transaction fees, due diligence costs and other one-time direct costs associated with strategic activities. In addition, subsequent adjustments to Akamai's initial estimated amount of contingent consideration associated with specific acquisitions are included within acquisition related costs and benefits. These amounts are impacted by the timing and size of the acquisitions. Akamai excludes acquisition related costs and benefits to provide a useful comparison of Akamai's operating results to prior periods and to its peer companies because such amounts vary significantly based on the magnitude of its acquisition transactions.

Gain and other activity related to divestiture of a business – Akamai recognized a gain and other activity related to the divestiture of ADS. Akamai excludes gains and other activity related to divestiture of a business because sales of this nature occur infrequently and are not considered part of Akamai's core business operations.

Legal settlements, gains and losses on investments and losses on early extinguishment of debt – Akamai has incurred gains and losses associated with the resolution of certain legal actions, the impairment of certain investments and with the early extinguishment of convertible debt. Akamai believes excluding these amounts is useful to investors as these actions occur infrequently, are not representative of Akamai's core business operations or meaningful in evaluating Akamai's business results.

Income tax-effect of non-GAAP adjustments – The non-GAAP adjustments described above are reported on a pre-tax basis. The income tax effect of non-GAAP adjustments is the difference between GAAP and non-GAAP income tax expense. Non-GAAP income tax expense is computed on non-GAAP pre-tax income (GAAP pre-tax income adjusted for non-GAAP adjustments) and excludes certain discrete tax items (such as recording or release of valuation allowances), if any. Akamai believes that applying the non-GAAP adjustments and their related income tax effect allows Akamai to more properly reflect the income attributable to its core operations.