

Akamai Technologies, Inc.
Reconciliation of non-GAAP to GAAP financial measures
December 31, 2010

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

Adjusted EBITDA – defined as net income before interest, income taxes, depreciation and amortization of tangible and intangible assets, stock-based compensation expense, amortization of capitalized stock-based compensation, restructuring charges and benefits, acquisition related costs (benefits), certain gains and losses on investments, foreign exchange gains and losses, loss on early extinguishment of debt and gains on legal settlements

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Net income	\$ 52,510	\$ 39,709	\$ 40,080	\$ 171,220	\$ 145,913
Interest income, net	(2,793)	(2,636)	(2,841)	(10,862)	(13,132)
Provision for income taxes	21,475	20,603	24,489	91,152	91,319
Depreciation and amortization	32,875	30,532	26,580	119,076	99,358
Amortization of capitalized stock-based compensation	1,987	1,817	1,851	7,509	6,413
Amortization of other intangible assets	4,267	4,130	4,142	16,657	16,722
Stock-based compensation	18,495	18,589	16,798	76,468	58,797
Loss on early extinguishment of debt	5	-	-	299	-
Restructuring charge	-	-	-	-	454
Acquisition related costs (benefits)	(760)	-	-	(415)	-
Gain on investments, net	-	-	(2)	-	(457)
Other loss (income), net	1,149	1,366	496	2,468	(163)
Adjusted EBITDA	\$ 129,210	\$ 114,110	\$ 111,593	\$ 473,572	\$ 405,224

Adjusted EBITDA margin – defined as Adjusted EBITDA as a percentage of revenues

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Revenues	\$ 284,688	\$ 253,551	\$ 238,305	\$ 1,023,586	\$ 859,773
Adjusted EBITDA	129,210	114,110	111,593	473,572	405,224
Adjusted EBITDA margin	45%	45%	47%	46%	47%

Fully taxed normalized net income – defined as net income before amortization of other intangible assets, stock-based compensation expense, amortization of capitalized stock-based compensation, restructuring charges and benefits, acquisition related costs (benefits), certain gains and losses on investments and loss on early extinguishment of debt

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
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Restructuring charge	-	-	-	-	454
Acquisition related costs (benefits)	(760)	-	-	(415)	-
Utilization of tax NOLs/credits *	-	-	-	-	-
Gain on investments, net	-	-	(2)	-	(457)
Fully taxed normalized net income	\$ 76,504	\$ 64,245	\$ 62,869	\$ 271,738	\$ 227,842
* Previously reported Utilization of tax NOLs/credits	\$ -	\$ -	\$ 22,553	\$ -	\$ 84,203

Fully taxed normalized net income per share – defined as fully taxed normalized net income, plus interest add-back for diluted share calculation, divided by the basic weighted average or diluted common shares outstanding used in GAAP net income per share calculations

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Fully taxed normalized net income	\$ 76,504	\$ 64,245	\$ 62,869	\$ 271,738	\$ 227,842
Interest add-back for diluted share calculation	94	146	440	1,059	1,746
Fully taxed normalized net income for diluted earnings per share	\$ 76,598	\$ 64,391	\$ 63,309	\$ 272,797	\$ 229,588
Fully taxed normalized net income per share:					
Basic	\$ 0.42	\$ 0.35	\$ 0.37	\$ 1.53	\$ 1.33
Diluted	\$ 0.40	\$ 0.34	\$ 0.34	\$ 1.43	\$ 1.22
Shares used in per share calculations:					
Basic	183,362	181,457	170,936	177,309	171,425
Diluted	191,837	191,271	188,621	190,650	188,658

Cash operating expenses – defined as GAAP operating expenses (consisting of Research and Development, Sales and Marketing, General and Administrative expenses, Amortization of other intangible assets and Restructuring charge (benefit)), excluding stock-based compensation, amortization of other intangible assets, depreciation and amortization, restructuring charges and benefits and acquisition related costs (benefits)

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
GAAP operating expenses	\$ 126,065	\$ 116,697	\$ 108,503	\$ 465,906	\$ 386,355
Less: stock-based compensation	(17,799)	(17,887)	(16,185)	(73,662)	(56,602)
Less: amortization of other intangible assets	(4,267)	(4,130)	(4,142)	(16,657)	(16,722)
Less: depreciation and amortization	(4,090)	(4,045)	(3,843)	(16,053)	(15,331)
Less: restructuring charge	-	-	-	-	(454)
Less: acquisition related costs (benefits)	760	-	-	415	-
Cash operating expenses	\$ 100,669	\$ 90,635	\$ 84,333	\$ 359,949	\$ 297,246

Cash operating expenses margin – defined as cash operating expenses as a percentage of revenues

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Revenues	\$ 284,688	\$ 253,551	\$ 238,305	\$ 1,023,586	\$ 859,773
Cash operating expenses	100,669	90,635	84,333	359,949	297,246
Cash operating expenses margin	35%	36%	35%	35%	35%

Normalized cost of revenues – defined as GAAP cost of revenues, excluding stock-based compensation and depreciation and amortization

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Cost of revenues per GAAP	\$ 86,277	\$ 77,812	\$ 67,580	\$ 303,403	\$ 249,938
Less: stock-based compensation	(696)	(702)	(613)	(2,806)	(2,195)
Less: depreciation and amortization	(30,772)	(28,304)	(24,588)	(110,532)	(90,440)
Normalized cost of revenues	\$ 54,809	\$ 48,806	\$ 42,379	\$ 190,065	\$ 157,303

Cash gross profit – defined as revenues, less Normalized cost of revenues

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Revenues	\$ 284,688	\$ 253,551	\$ 238,305	\$ 1,023,586	\$ 859,773
Normalized cost of revenues	54,809	48,806	42,379	190,065	157,303
Cash gross profit	<u>\$ 229,879</u>	<u>\$ 204,745</u>	<u>\$ 195,926</u>	<u>\$ 833,521</u>	<u>\$ 702,470</u>

Cash gross margin – defined as cash gross profit as a percentage of revenues

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Revenues	\$ 284,688	\$ 253,551	\$ 238,305	\$ 1,023,586	\$ 859,773
Cash gross profit	229,879	204,745	195,926	833,521	702,470
Cash gross margin	<u>81%</u>	<u>81%</u>	<u>82%</u>	<u>81%</u>	<u>82%</u>

Capital expenditures or Capex – defined as purchases of property and equipment, capitalization of internal-use software development costs and capitalization of stock-based compensation

	Three months ended			Year ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Purchases of property and equipment and capitalization of internal-use software development costs	\$ 48,700	\$ 42,058	\$ 29,244	\$ 192,045	\$ 108,147
Capitalization of stock-based compensation	2,221	1,918	1,755	7,818	6,280
Capital Expenditures or Capex	<u>\$ 50,921</u>	<u>\$ 43,976</u>	<u>\$ 30,999</u>	<u>\$ 199,863</u>	<u>\$ 114,427</u>