

Akamai Technologies, Inc.
Reconciliation of non-GAAP to GAAP financial measures
September 30, 2009

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, certain gains and losses on investments, foreign exchange gains and losses, loss on early extinguishment of debt, gains on legal settlements, utilization of tax NOLs/credits and release of the deferred tax asset valuation allowance

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30 2009	Sept. 30 2008
Net income	\$ 32,745	\$ 36,007	\$ 33,360	\$ 105,833	\$ 104,605
Interest income, net	(2,807)	(3,454)	(4,994)	(10,291)	(17,105)
Provision for income taxes	1,585	1,789	1,124	5,180	3,471
Depreciation and amortization	25,668	23,979	20,279	72,778	57,381
Amortization of capitalized stock-based compensator	1,794	1,461	1,118	4,562	2,993
Amortization of other intangible assets	4,103	4,238	3,173	12,580	10,254
Stock-based compensation	13,612	13,320	14,122	41,999	42,370
Utilization of tax NOLs/credits	18,563	20,236	22,434	61,650	66,386
Restructuring charge	-	-	-	454	-
Gain on investments, net	-	-	(1)	(455)	(273)
Other loss (income), net	659	(184)	(154)	(659)	340
Adjusted EBITDA	<u>\$ 95,922</u>	<u>\$ 97,392</u>	<u>\$ 90,461</u>	<u>\$ 293,631</u>	<u>\$ 270,422</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Revenues	\$ 206,500	\$ 204,600	\$ 197,347	\$ 621,468	\$ 578,370
Adjusted EBITDA	95,922	97,392	90,461	293,631	270,422
Adjusted EBITDA margin	<u>46%</u>	<u>48%</u>	<u>46%</u>	<u>47%</u>	<u>47%</u>

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, certain gains and losses on investments, loss on early extinguishment of debt, utilization of tax NOLs/credits, and release of the deferred tax asset valuation allowance

	Three months ended			Nine months ended	
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Amortization of capitalized stock-based compensator	1,794	1,461	1,118	4,562	2,993
Restructuring charge	-	-	-	454	-
Utilization of tax NOLs/credits	18,563	20,236	22,434	61,650	66,386
Gain on investments, net	-	-	(1)	(455)	(273)
Normalized net income	<u>\$ 70,817</u>	<u>\$ 75,262</u>	<u>\$ 74,206</u>	<u>\$ 226,623</u>	<u>\$ 226,335</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Normalized net income	\$ 70,817	\$ 75,262	\$ 74,206	\$ 226,623	\$ 226,335
Interest add-back for diluted share calculation	688	689	696	2,066	2,087
Normalized net income for diluted earnings per share	\$ 71,505	\$ 75,951	\$ 74,902	\$ 228,689	\$ 228,422
Normalized net income per share:					
Basic	\$ 0.41	\$ 0.44	\$ 0.44	\$ 1.32	\$ 1.35
Diluted	\$ 0.38	\$ 0.40	\$ 0.40	\$ 1.21	\$ 1.21
Shares used in normalized net income per share calculations					
Basic	171,686	172,561	168,474	171,588	167,283
Diluted	188,273	189,556	188,349	188,671	189,135

Diluted common shares outstanding used in normalized net income per share calculation – defined as diluted common shares outstanding used in GAAP net income per share calculation, excluding the effect of stock-based compensation under the treasury stock method in normalized net income per share calculation

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Diluted common shares outstanding used in GAAP net income per share calculation	188,273	189,556	187,769	188,671	188,175
Excluding: the effect of stock-based compensation under the treasury stock method	-	-	580	-	960
Diluted common shares outstanding used in normalized net income per share calculation	188,273	189,556	188,349	188,671	189,135

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 and restructuring charges and benefits

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
GAAP operating expenses	\$ 93,768	\$ 90,197	\$ 88,919	\$ 277,852	\$ 259,024
Less: stock-based compensation	(13,080)	(12,831)	(13,508)	(40,417)	(40,591)
Less: amortization of other intangible assets	(4,103)	(4,238)	(3,173)	(12,580)	(10,254)
Less: depreciation and amortization	(3,935)	(3,836)	(2,914)	(11,488)	(7,898)
Less: restructuring charge	-	-	-	(454)	-
Cash operating expenses	\$ 72,650	\$ 69,292	\$ 69,324	\$ 212,913	\$ 200,281

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

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Revenues	\$ 206,500	\$ 204,600	\$ 197,347	\$ 621,468	\$ 578,370
Cash operating expenses	72,650	69,292	69,324	212,913	200,281
Cash operating expenses margin	35%	34%	35%	34%	35%

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

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Cost of revenues per GAAP	\$ 61,987	\$ 60,009	\$ 56,659	\$ 182,358	\$ 161,922
Less: stock-based compensation	(532)	(489)	(614)	(1,582)	(1,779)
Less: depreciation and amortization	(23,527)	(21,604)	(18,483)	(65,852)	(52,476)
Normalized cost of revenues	<u>\$ 37,928</u>	<u>\$ 37,916</u>	<u>\$ 37,562</u>	<u>\$ 114,924</u>	<u>\$ 107,667</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Revenues	\$ 206,500	\$ 204,600	\$ 197,347	\$ 621,468	\$ 578,370
Normalized cost of revenues	37,928	37,916	37,562	114,924	107,667
Cash gross profit	<u>\$ 168,572</u>	<u>\$ 166,684</u>	<u>\$ 159,785</u>	<u>\$ 506,544</u>	<u>\$ 470,703</u>

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

	Three months ended			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Revenues	\$ 206,500	\$ 204,600	\$ 197,347	\$ 621,468	\$ 578,370
Cash gross profit	168,572	166,684	159,785	506,544	470,703
Cash gross margin	<u>82%</u>	<u>81%</u>	<u>81%</u>	<u>82%</u>	<u>81%</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			Nine months ended	
	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Purchases of property and equipment and capitalization of internal-use software development costs	\$ 31,183	\$ 24,653	\$ 36,428	\$ 78,903	\$ 94,950
Capitalization of stock-based compensation	1,373	1,244	1,867	4,525	5,458
Capital Expenditures or Capex	<u>\$ 32,556</u>	<u>\$ 25,897</u>	<u>\$ 38,295</u>	<u>\$ 83,428</u>	<u>\$ 100,408</u>