

Akamai Technologies Inc.
Reconciliation of non-GAAP to GAAP financial measures
September 30, 2006

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

Adjusted EBITDA - defined as net income before interest, taxes, depreciation and amortization of tangible and intangible assets, capitalized equity-related compensation amortization, equity-related compensation expense, certain gains and losses on equity investments, release of the deferred tax asset valuation allowance, utilization of tax NOLs/ credits, foreign exchange gains and losses and gains on legal settlements

	Three months ended				Nine months ended	
	September 30, 2006	June 30, 2006	September 30, 2005	June 30, 2005	September 30, 2006	September 30, 2005
Net income	\$ 14,019	\$ 11,264	\$ 272,260	\$ 15,900	\$ 36,778	\$ 302,239
Interest (income) expense, net	(3,970)	(3,336)	567	770	(9,965)	2,350
Provision for income taxes	110	664	(144)	573	1,266	958
Depreciation and amortization	8,450	7,342	5,242	4,332	22,183	13,428
Amortization of capitalized equity-related compensation	129	27	-	-	162	-
Amortization of intangible assets	1,943	2,198	2,296	520	6,437	2,828
Equity-related compensation	14,514	13,175	1,383	657	34,776	2,267
Utilization of tax NOLs/credits	11,154	9,178	-	-	29,096	-
Release of the deferred tax asset valuation allowance	-	-	(255,345)	-	-	(255,345)
Loss on early extinguishment of debt	-	-	1,370	-	-	1,370
(Gain) loss on investments, net	-	(2)	27	-	(259)	27
Other expense (income), net	448	(475)	63	(77)	(213)	712
Adjusted-EBITDA	\$ 46,797	\$ 40,035	\$ 27,719	\$ 22,675	\$ 120,261	\$ 70,834

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

	Three months ended				Nine months ended	
	September 30, 2006	June 30, 2006	September 30, 2005	June 30, 2005	September 30, 2006	September 30, 2005
Revenues	\$ 111,495	\$ 100,649	\$ 75,713	\$ 64,649	\$ 302,969	\$ 200,458
Adjusted-EBITDA	46,797	40,035	27,719	22,675	120,261	70,834
Adjusted-EBITDA gross margin	42%	40%	37%	35%	40%	35%

Normalized net income – defined as net income before amortization of intangible assets, equity-related compensation amortization, equity-related compensation expense, certain gains and losses on equity investments, utilization of tax NOLs/credits and release of the deferred tax asset valuation allowance

	Three months ended				Nine months ended	
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Release of the deferred tax asset valuation allowance	-	-	(255,345)	-	-	(255,345)
Utilization of tax NOLs/credits	11,154	9,178	-	-	29,096	-
(Gain) loss on investments, net	-	(2)	27	-	(259)	27
Normalized net income	<u>\$ 41,759</u>	<u>\$ 35,840</u>	<u>\$ 21,991</u>	<u>\$ 17,077</u>	<u>\$ 106,990</u>	<u>\$ 53,386</u>

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

	Three months ended				Nine months ended	
	September 30, 2006	June 30, 2006	September 30, 2005	June 30, 2005	September 30, 2006	September 30, 2005
Normalized net income	\$ 41,759	\$ 35,840	\$ 21,991	\$ 17,077	\$ 106,990	\$ 53,386
Normalized net income per share:						
Basic	\$ 0.27	\$ 0.23	\$ 0.16	\$ 0.13	\$ 0.69	\$ 0.40
Diluted	\$ 0.24	\$ 0.20	\$ 0.14	\$ 0.12	\$ 0.61	\$ 0.36
Shares used in normalized per share calculations:						
Basic	155,739	154,702	139,204	130,119	154,753	132,125
Diluted	179,563	178,358	159,994	149,986	178,700	152,336

Diluted shares used in normalized per share calculation – defined as diluted common shares outstanding used in GAAP net income per share calculation, excluding the effect of FAS123R under the treasury stock method in normalized net income per share calculation

	Three months ended		Nine months ended
	September 30, 2006	June 30, 2006	September 30, 2006
Diluted common shares outstanding used in GAAP net income per share calculation	177,063	175,612	177,290
Excluding: the effect of FAS123R under the treasury stock method	2,500	2,746	1,410
Diluted common shares outstanding used in normalized net income per share calculation	<u>179,563</u>	<u>178,358</u>	<u>178,700</u>

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

	Three months ended				Nine months ended	
	September 30, 2006	June 30, 2006	September 30, 2005	June 30, 2005	September 30, 2006	September 30, 2005
GAAP operating expenses	\$ 64,750	\$ 62,161	\$ 41,620	\$ 34,731	\$ 180,771	\$ 108,576
Less: equity-related compensation	(13,997)	(12,642)	(1,383)	(657)	(33,453)	(2,267)
Less: amortization of intangibles	(1,943)	(2,198)	(2,296)	(520)	(6,437)	(2,828)
Less: depreciation and amortization	(1,306)	(1,164)	(881)	(860)	(3,505)	(2,680)
Cash operating expenses	<u>\$ 47,504</u>	<u>\$ 46,157</u>	<u>\$ 37,060</u>	<u>\$ 32,694</u>	<u>\$ 137,376</u>	<u>\$ 100,801</u>

Cash operating expenses margin - defined as a percent of cash operating expenses over revenues

	Three months ended				Nine months ended	
	September 30, 2006	June 30, 2006	September 30, 2005	June 30, 2005	September 30, 2006	September 30, 2005
Revenues	\$ 111,495	\$ 100,649	\$ 75,713	\$ 64,649	\$ 302,969	\$ 200,458
Cash operating expenses	47,504	46,157	37,060	32,694	137,376	100,801
Cash operating expenses margin	43%	46%	49%	51%	45%	50%

Cash gross margin – defined as the percent of cost of revenues over revenues, excluding equity-related compensation and depreciation and amortization

	Three months ended				Nine months ended	
	September 30, 2006	June 30, 2006	September 30, 2005	June 30, 2005	September 30, 2006	September 30, 2005
Revenues	\$ 111,495	\$ 100,649	\$ 75,713	\$ 64,649	\$ 302,969	\$ 200,458
Cost of revenues per GAAP	\$ 24,984	\$ 21,195	\$ 15,295	\$ 12,752	\$ 65,495	\$ 39,571
Less: equity-related compensation	(517)	(533)	-	-	(1,323)	-
Less: depreciation and amortization	(7,273)	(6,205)	(4,361)	(3,472)	(18,840)	(10,748)
Cost of revenues per Normalized	\$ 17,194	\$ 14,457	\$ 10,934	\$ 9,280	\$ 45,332	\$ 28,823
Cash gross margin	85%	86%	86%	86%	85%	86%

Capex or capital expenditures - defined as purchases of property and equipment, capitalization of internal-use software development costs and capitalization of equity-related compensation.

	Three months ended				Nine months ended	
	September 30, 2006	June 30, 2006	September 30, 2005	June 30, 2005	September 30, 2006	September 30, 2005
Purchases of property and equipment and capitalization of internal-use software costs	\$ 16,451	\$ 14,227	\$ 8,531	\$ 9,805	\$ 46,852	\$ 28,055
Capitalization of equity-related compensation	1,058	1,242	-	-	2,822	-
Capital Expenditures	\$ 17,509	\$ 15,469	\$ 8,531	\$ 9,805	\$ 49,674	\$ 28,055