

Akamai Technologies Inc.  
Reconciliation of non-GAAP to GAAP financial measures  
December 31, 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, loss on early extinguishment of debt, release of the deferred tax asset valuation allowance, utilization of tax NOLs/credits, foreign exchange gains and losses, restructuring charges and benefits, and gains on legal settlements

	Three months ended			Twelve months ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Net income	\$ 20,623	\$ 14,019	\$ 25,759	\$ 57,401	\$ 327,998
Interest (income) expense, net	(4,567)	(3,970)	(1,283)	(14,532)	1,067
Provision for income taxes	782	110	275	2,048	1,233
Depreciation and amortization	9,619	8,450	5,658	31,802	19,086
Amortization of capitalized equity-related compensation	136	129	-	298	-
Amortization of intangible assets	2,047	1,943	2,296	8,484	5,124
Equity-related compensation	14,792	14,514	1,582	49,568	3,849
Utilization of tax NOLs/credits	9,924	11,154	-	39,020	-
Release of the deferred tax asset valuation allowance	-	-	(3,482)	-	(258,827)
Loss on early extinguishment of debt	-	-	-	-	1,370
(Gain) loss on investments, net	(2)	-	-	(261)	27
Other (income) expense, net	(357)	448	(205)	(570)	507
Adjusted EBITDA	\$ 52,997	\$ 46,797	\$ 30,600	\$ 173,258	\$ 101,434

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

	Three months ended			Twelve months ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Revenues	\$ 125,703	\$ 111,495	\$ 82,657	\$ 428,672	\$ 283,115
Adjusted EBITDA	52,997	46,797	30,600	173,258	101,434
Adjusted EBITDA gross margin	42%	42%	37%	40%	36%

**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, loss on early extinguishment of debt, restructuring charges and benefits, utilization of tax NOLs/credits and release of the deferred tax asset valuation allowance

	Three months ended			Twelve months ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Net income	\$ 20,623	\$ 14,019	\$ 25,759	\$ 57,401	\$ 327,998
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Equity-related compensation	14,792	14,514	1,582	49,568	3,849
Loss on early extinguishment of debt	-	-	-	-	1,370
Amortization of capitalized equity-related compensation	136	129	-	298	-
Release of the deferred tax asset valuation allowance	-	-	(3,482)	-	(258,827)
Utilization of tax NOLs/credits	9,924	11,154	-	39,020	-
(Gain) loss on investments, net	(2)	-	-	(261)	27
Normalized net income	<u>\$ 47,520</u>	<u>\$ 41,759</u>	<u>\$ 26,155</u>	<u>\$ 154,510</u>	<u>\$ 79,541</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 per share calculations

	Three months ended			Twelve months ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Normalized net income	\$ 47,520	\$ 41,759	\$ 26,155	\$ 154,510	\$ 79,541
Interest add-back for diluted share calculation	710	710	710	2,841	2,841
Normalized net income for diluted earnings per share	\$ 48,230	\$ 42,469	\$ 26,865	\$ 157,351	\$ 82,382
Normalized net income per share:					
Basic	\$ 0.30	\$ 0.27	\$ 0.18	\$ 0.99	\$ 0.58
Diluted	\$ 0.27	\$ 0.24	\$ 0.16	\$ 0.88	\$ 0.52
Shares used in normalized per share calculations:					
Basic	157,206	155,739	148,293	155,366	136,167
Diluted	181,332	179,563	170,305	179,470	156,944

**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		Twelve months ended
	December 31, 2006	September 30, 2006	December 31, 2006
Diluted common shares outstanding used in GAAP net income per share calculation	179,064	177,063	176,767
Excluding: the effect of FAS123R under the treasury stock method	2,268	2,500	2,703
Diluted common shares outstanding used in normalized net income per share calculation	<u>181,332</u>	<u>179,563</u>	<u>179,470</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			Twelve months ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
GAAP operating expenses	\$ 70,695	\$ 64,750	\$ 45,509	\$ 251,466	\$ 154,085
Less: equity-related compensation	(14,155)	(13,997)	(1,582)	(47,608)	(3,849)
Less: amortization of intangibles	(2,047)	(1,943)	(2,296)	(8,484)	(5,124)
Less: depreciation and amortization	(1,487)	(1,306)	(892)	(4,992)	(3,572)
Cash operating expenses	<u>\$ 53,006</u>	<u>\$ 47,504</u>	<u>\$ 40,739</u>	<u>\$ 190,382</u>	<u>\$ 141,540</u>

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

	Three months ended			Twelve months ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Revenues	\$ 125,703	\$ 111,495	\$ 82,657	\$ 428,672	\$ 283,115
Cash operating expenses	53,006	47,504	40,739	190,382	141,540
Cash operating expenses margin	42%	43%	49%	44%	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			Twelve months ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Revenues	\$ 125,703	\$ 111,495	\$ 82,657	\$ 428,672	\$ 283,115
Cost of revenues per GAAP	28,605	24,984	16,084	94,100	55,655
Less: equity-related compensation	(637)	(517)	-	(1,960)	-
Less: depreciation and amortization	(8,268)	(7,273)	(4,766)	(27,108)	(15,514)
Cost of revenues per Normalized	\$ 19,700	\$ 17,194	\$ 11,318	\$ 65,032	\$ 40,141
Cash gross margin	84%	85%	86%	85%	86%

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

	Three months ended			Twelve months ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Purchases of property and equipment and capitalization of internal-use software costs	\$ 22,476	\$ 16,451	\$ 8,105	\$ 69,328	\$ 36,160
Capitalization of equity-related compensation	1,471	1,058	-	4,293	-
Capital Expenditures or Capex	\$ 23,947	\$ 17,509	\$ 8,105	\$ 73,621	\$ 36,160