

# Akamai Reports Fourth Quarter 2008 and Full-Year 2008 Financial Results

Submitted by: Ascendant Communications

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- Fourth quarter revenue grew to \$212.6 million, up 8 percent from the prior quarter and 16 percent year-over-year, and annual revenue increased 24 percent year-over-year to \$790.9 million

- Fourth quarter GAAP net income increased 22 percent quarter-over-quarter to \$40.5 million, or \$0.22 per diluted share, and full-year GAAP net income increased 44 percent year-over-year to \$145.1 million, or \$0.79 per diluted share

- Fourth quarter normalized net income\* increased 11 percent quarter-over-quarter to \$82.2 million, or \$0.44 per diluted share, and full-year normalized net income\* increased 26 percent year-over-year to \$308.5 million, or \$1.66 per diluted share

February 5, 2009 – Akamai Technologies, Inc. (NASDAQ: AKAM), the leader in powering rich media, dynamic transactions and enterprise applications online, today reported financial results for the fourth quarter and full-year ended December 31, 2008. Revenue for the fourth quarter 2008 was \$212.6 million, an 8 percent increase over third quarter revenue of \$197.3 million, and a 16 percent increase over fourth quarter 2007 revenue of \$183.2 million. Total revenue for 2008 was \$790.9 million, a 24 percent increase over 2007 revenue of \$636.4 million.

“2008 was another year of impressive growth and significant accomplishments for Akamai,” said Paul Sagan, president and CEO of Akamai. “As the external environment has become more challenging, we’re pleased that we were able to grow revenue and earnings throughout the year while broadening our portfolio of solutions to improve Internet performance for our customers.”

Net income in accordance with United States Generally Accepted Accounting Principles, or GAAP, for the fourth quarter of 2008 was \$40.5 million, or \$0.22 per diluted share. Full-year GAAP net income for 2008 was \$145.1 million, or \$0.79 per diluted share.

The Company generated normalized net income\* of \$82.2 million, or \$0.44 per diluted share, in the fourth quarter of 2008, an 11 percent increase over prior quarter normalized net income of \$74.2 million, or \$0.40 per diluted share. Full-year normalized net income grew 26 percent year-over-year to \$308.5 million, or \$1.66 per diluted share. (\*See Use of Non-GAAP Financial Measures below for definitions.)

Adjusted EBITDA for the fourth quarter of 2008 was \$100.3 million, up from \$90.5 million in the prior quarter, and \$86.9 million in the fourth quarter of 2007. Adjusted EBITDA margin for the fourth quarter was 47 percent, consistent with the same period last year. For the full year, adjusted EBITDA was \$370.8 million, up from \$283.2 million in 2007. Full-year adjusted EBITDA margin improved to 47 percent, up from 44 percent in 2007.

Full-year cash from operations was \$343.5 million, or 43 percent of revenue, up 45 percent over the prior year. At year-end, the Company had approximately \$771.6 million of cash, cash equivalents and marketable securities.

The Company had approximately 169.4 million shares of common stock outstanding as of December 31, 2008.

The number of customers under long-term service contracts at the end of the fourth quarter increased by 50 to a record 2,858, an 8 percent increase year-over-year.

Sales through resellers and sales outside the United States accounted for 17 percent and 25 percent, respectively, of revenue for the fourth quarter 2008.

Akamai's fourth quarter consolidated financial results include two months of activity from acerno, following the closing of Akamai's acquisition of acerno on November 3, 2008. acerno contributed approximately \$6.9 million of revenue during the fourth quarter of 2008.

#### The Akamai Difference

Akamai® provides market-leading managed services for powering rich media, dynamic transactions, and enterprise applications online. Having pioneered the content delivery market one decade ago, Akamai's services have been adopted by the world's most recognized brands across diverse industries. The alternative to centralized Web infrastructure, Akamai's global network of tens of thousands of distributed servers provides the scale, reliability, insight and performance for businesses to succeed online. Akamai has transformed the Internet into a more viable place to inform, entertain, advertise, interact, and collaborate. To experience The Akamai Difference, visit [www.akamai.com](http://www.akamai.com).

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