

Limelight Networks, Inc.  
Form S-4/A  
March 22, 2010  
Table of Contents

As filed with the Securities and Exchange Commission on March 22, 2010

Registration No. 333-164874

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**AMENDMENT NO. 1**

**TO**

**FORM S-4**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**Limelight Networks, Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
  
incorporation)

**7389**  
(Primary Standard Industrial  
  
Classification Code Number)

**20-1677033**  
(I.R.S. Employer  
  
Identification Number)

Edgar Filing: Limelight Networks, Inc. - Form S-4/A

2220 W. 14<sup>th</sup> Street

Tempe, Arizona 85281

(602) 850-5000

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

**Jeffrey W. Lunsford**

**President, Chief Executive Officer and Chairman**

**Limelight Networks, Inc.**

2220 W. 14<sup>th</sup> Street

Tempe, Arizona 85281

(602) 850-5000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With Copies to:*

**Mark L. Reinstra, Esq.**

**John J. Vincent**

**W. Benjamin Barkley, Esq.**

**Michael S. Ringler, Esq.**

**Chief Executive Officer and Chairman**

**Kilpatrick Stockton LLP**

**Wilson Sonsini Goodrich & Rosati**

**EyeWonder, Inc.**

**1100 Peachtree Street, Suite 2800**

**Professional Corporation**

**229 Peachtree Street, NE**

**Atlanta, Georgia 30309**

**650 Page Mill Road**

**International Tower, Suite 1700**

**(404) 815-6500**

**Palo Alto, California 94304-1050**

**Atlanta, Georgia 30303**

**(650) 493-9300**

**(678) 891-2020**

**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

## Edgar Filing: Limelight Networks, Inc. - Form S-4/A

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer "                      Accelerated filer                       Non-accelerated filer "                      Smaller reporting company "

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.**

---

**Table of Contents**

**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION DATED MARCH 22, 2010**

**SPECIAL MEETINGS OF STOCKHOLDERS**

**MERGERS PROPOSED YOUR VOTE IS VERY IMPORTANT**

On December 21, 2009, Limelight Networks, Inc., referred to as Limelight, and EyeWonder, Inc., referred to as EyeWonder, announced a business combination in which a direct, wholly owned subsidiary of Limelight will merge with and into EyeWonder, with EyeWonder continuing as the interim surviving entity, and, immediately thereafter, EyeWonder will merge with and into a second direct, wholly owned subsidiary of Limelight, with such subsidiary continuing as the final surviving entity. The first merger is referred to herein as the first-step merger, the second merger is referred to herein as the second-step merger, and together these mergers are referred to herein as the merger.

If the merger is completed, the holders of shares of EyeWonder capital stock outstanding immediately prior to the completion of the merger will receive, in the aggregate, \$62 million in cash, subject to certain adjustments as described below, and 12,740,000 shares of Limelight common stock. In addition, EyeWonder securityholders may receive up to an aggregate amount of 4,774,000 shares of Limelight common stock and approximately \$292,000 after the closing of the merger if certain performance metrics are satisfied.

Upon the completion of the merger, Limelight will deduct an amount of cash and Limelight common stock with an aggregate value of approximately \$11 million from the total merger consideration otherwise payable in the merger to EyeWonder securityholders to be held in escrow as security for indemnification claims under the agreement and plan of merger entered into by Limelight and EyeWonder, dated as of December 21, 2009, which is referred to in this proxy statement/prospectus as the merger agreement. The escrow fund will be held until June 28, 2011, subject to any unresolved indemnification claims.

The amount of cash and stock payable to the EyeWonder securityholders at closing is subject to a number of factors summarized below that will not be known with certainty until after the closing of the merger.

The \$62 million cash portion of the aggregate merger consideration will be adjusted upward by the amount of EyeWonder's cash and cash equivalents as of the closing and the amount by which its working capital exceeds \$8.3 million at closing, and downward by the amount of EyeWonder's debt outstanding at closing, EyeWonder's transaction costs not paid prior to closing, and the amount by which EyeWonder's working capital is less than \$8.3 million at closing. EyeWonder currently estimates that the adjustments will reduce the cash portion of the merger consideration by approximately \$11.6325 million, resulting in an estimated \$50.3675 million of cash payable to the EyeWonder securityholders at the closing, or approximately \$2.1090 per share of EyeWonder common stock based on an estimated 23,882,275 shares of EyeWonder common stock outstanding as of the closing and after giving effect to the exercise or conversion of all outstanding stock options and warrants. For a more complete description of the potential adjustments to the cash portion of the aggregate merger consideration, we urge you to read the section entitled "Summary - The Merger Agreement - Merger Consideration" beginning on page 14 of this proxy statement/prospectus.

EyeWonder securityholders will also be entitled to receive as part of the merger consideration an aggregate of 12,740,000 shares of Limelight common stock, or approximately 0.5335 shares of Limelight common stock for each share of EyeWonder common stock they hold. An estimated 3,013,699 of these shares, or 0.1262 shares for each share of EyeWonder common stock outstanding as of the closing, will be placed in escrow pursuant to the merger agreement and not delivered until after the end of the escrow period, which will expire on June 28, 2011. Accordingly, at closing, EyeWonder securityholders will

## Edgar Filing: Limelight Networks, Inc. - Form S-4/A

receive approximately 0.4073 shares of Limelight common stock for each share of EyeWonder common stock they hold upon completion of the merger.

If the performance metrics are satisfied, EyeWonder securityholders will receive up to an additional 4,774,000 shares of Limelight common stock and \$292,000 in cash in approximately April 2011, or 0.1999 shares for each share of EyeWonder common stock held as of the closing and \$0.01 per share of EyeWonder common stock held as of the closing.

**Table of Contents**

The above per share amounts are estimates only and are subject to change under certain circumstances as described above and set forth more fully in the merger agreement. The merger agreement does not provide for a maximum cap or other limitation on the amount of such adjustments to the cash portion of the aggregate merger consideration. The actual consideration EyeWonder securityholders receive in exchange for their EyeWonder stock may be more, less or the same as these estimates. For a more complete description of what EyeWonder securityholders will receive in the merger, see the section entitled Summary The Merger Agreement Merger Consideration beginning on page 14 of this proxy statement/prospectus.

The stock component of the merger consideration will not be adjusted for changes in the stock price of Limelight before or after the merger is completed. Limelight common stock is listed on the Nasdaq Global Market under the symbol LLNW. On [ ], 2010, the last trading day before the date of this proxy statement/prospectus, the closing price of Limelight common stock was \$[ ] per share.

Stockholders of Limelight will be asked, at Limelight's special meeting of stockholders, to approve the issuance of shares of Limelight common stock to the stockholders of EyeWonder. Stockholders of EyeWonder will be asked, at EyeWonder's special meeting of stockholders, to adopt the merger agreement.

The dates, times and places of the special meetings are as follows:

For Limelight stockholders:  
[ ], 2010  
[ ], local time  
Sheraton Phoenix Airport Hotel Tempe  
1600 South 52<sup>nd</sup> Street  
Tempe, Arizona 85281

For EyeWonder stockholders:  
[ ], 2010  
[ ], local time  
EyeWonder, Inc.  
229 Peachtree Street, NE  
International Tower, Suite 1700  
Atlanta, Georgia 30303

This proxy statement/prospectus provides you with information about Limelight, EyeWonder and the proposed transaction. You may obtain other information about Limelight from documents filed with the Securities and Exchange Commission. We encourage you to read the entire proxy statement/prospectus carefully.

Jeffrey W. Lunsford  
President, Chief Executive Officer and Chairman  
Limelight Networks, Inc.

John J. Vincent  
Chief Executive Officer and Chairman  
EyeWonder, Inc.

**FOR A DISCUSSION OF SIGNIFICANT MATTERS THAT SHOULD BE CONSIDERED BEFORE VOTING AT THE SPECIAL MEETINGS, SEE RISK FACTORS BEGINNING ON PAGE 26.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORS HAVE APPROVED OR DISAPPROVED THE LIMELIGHT COMMON STOCK TO BE ISSUED IN THE TRANSACTION OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

This proxy statement/prospectus is dated [ ], 2010, and is first being mailed to stockholders of Limelight and EyeWonder on or about [ ], 2010.

**THIS PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES NOR A SOLICITATION OF AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.**

Table of Contents

**LIMELIGHT NETWORKS, INC.**

2220 W. 14<sup>th</sup> Street

Tempe, Arizona 85281

(602) 850-5000

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON [                      ], 2010**

[                      ], 2010

To the Stockholders of Limelight Networks, Inc.:

On behalf of the board of directors of Limelight Networks, Inc., a Delaware corporation ( Limelight ), Limelight is pleased to deliver this proxy statement/prospectus relating to the proposed mergers by which Limelight is proposing to acquire EyeWonder, Inc., a Delaware corporation ( EyeWonder ), pursuant to that certain Agreement and Plan of Merger, dated as of December 21, 2009, among Limelight, Elvis Merger Sub One Corporation, a Delaware corporation and a wholly owned subsidiary of Limelight, Elvis Merger Sub Two LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Limelight, EyeWonder, John J. Vincent, as stockholder representative and Deutsche Bank National Trust, as Escrow Agent. A special meeting of stockholders of Limelight will be held on [                      ], 2010 at [                      ], local time, at the Sheraton Phoenix Airport Hotel Tempe, located at 1600 South 52<sup>nd</sup> Street, Tempe, Arizona 85281, for the following purposes:

**Proposal No. 1.** To consider and vote upon the issuance of shares of Limelight common stock in the merger of Elvis Merger Sub One Corporation with and into EyeWonder as contemplated by the merger agreement.

**Proposal No. 2.** To consider and vote upon an adjournment of the Limelight special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

The Limelight special meeting will also address such other business as may properly come before the Limelight special meeting or any adjournment or postponement thereof.

The Limelight board of directors has fixed [                      ], 2010 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Limelight special meeting and any adjournment or postponement thereof. Only holders of record of shares of Limelight common stock at the close of business on the record date are entitled to notice of, and to vote at, the Limelight special meeting. At the close of business on the record date, Limelight had outstanding and entitled to vote [                      ] shares of common stock.

**Your vote is important. The affirmative vote of the holders of a majority of the shares entitled to vote on the subject matter and present in person or represented by proxy at the Limelight special meeting is required for approval of each of Proposal No. 1 and Proposal No. 2 above. THE APPROVAL OF PROPOSAL NO. 1 IS A CONDITION TO THE COMPLETION OF THE MERGER. Even if you plan to attend the Limelight special meeting in person, Limelight requests that you sign and return the enclosed proxy card as instructed on the enclosed proxy card, and thus ensure that your shares will be represented at the Limelight special meeting if you are unable to attend. If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote in favor of each of Proposals Nos. 1 and 2 above. If you fail to return your proxy card, your shares will not be counted for purposes of determining whether a quorum is present at the Limelight special meeting. If you do attend the Limelight special meeting and wish to vote in person, you may withdraw your proxy and vote in person.**

**Table of Contents**

By Order of the Board of Directors,

Jeffrey W. Lunsford

President, Chief Executive Officer and Chairman

Tempe, Arizona

[                    ], 2010

**THE LIMELIGHT BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED AND BELIEVES THAT THE ISSUANCE OF SHARES OF LIMELIGHT COMMON STOCK IN THE MERGER DESCRIBED ABOVE IS ADVISABLE TO, AND IN THE BEST INTERESTS OF, LIMELIGHT AND ITS STOCKHOLDERS, AND UNANIMOUSLY RECOMMENDS THAT LIMELIGHT STOCKHOLDERS VOTE FOR PROPOSAL NO. 1 AND FOR PROPOSAL NO. 2.**



**Table of Contents**

**EYEWONDER, INC.**

**229 Peachtree Street, NE**

**International Tower, Suite 1700**

**Atlanta, Georgia 30303**

**(678) 891-2020**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON [                      ], 2010**

**[                      ], 2010**

To the Stockholders of EyeWonder, Inc.:

EyeWonder, Inc., a Delaware corporation ( EyeWonder ), will hold a special meeting of stockholders at 229 Peachtree Street, NE, International Tower, Suite 1700, Atlanta, Georgia 30303, at [                      ], local time, on [                      ], 2010 to consider and vote upon the following proposals:

**Proposal No. 1.** To adopt the Agreement and Plan of Merger, dated as of December 21, 2009, by and among Limelight, Elvis Merger Sub One Corporation, Elvis Merger Sub Two LLC, EyeWonder, John J. Vincent, as stockholder representative, and Deutsche Bank National Trust Company, as Escrow Agent.

**Proposal No. 2.** To approve the conversion of each share of outstanding EyeWonder Series A preferred stock into EyeWonder common stock immediately prior to the effective time of the first-step merger in accordance with the EyeWonder certificate of incorporation.

**Proposal No. 3.** To approve the conversion of each share of outstanding EyeWonder Series B preferred stock into EyeWonder common stock immediately prior to the effective time of the first-step merger in accordance with the EyeWonder certificate of incorporation.

**Proposal No. 4.** To approve the adjournment or postponement of the special meeting, if necessary, if a quorum is present, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve Proposal No. 1.

The EyeWonder special meeting will also address such other business as may properly come before the EyeWonder special meeting or any adjournment or postponement thereof.

The EyeWonder board of directors has fixed the close of business on [                      ], 2010 as the date for notice of the special meeting. The EyeWonder board of directors has fixed the close of business on [                      ], 2010 as the record date for the special meeting. Only EyeWonder stockholders of record on the notice date are entitled to notice of the special meeting, or any adjournment or postponement of the special meeting. Only EyeWonder stockholders of record on the record date are entitled to vote at the special meeting, or any adjournment or postponement of the special meeting. Approval of the merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of EyeWonder common stock and preferred stock entitled to vote at the special meeting (voting as a single class). Approval of the conversion of each share of outstanding Series A preferred stock into common stock requires the affirmative vote of at least a majority of the outstanding shares of EyeWonder Series A preferred stock. Approval of the conversion of each share of outstanding Series B preferred stock into common stock requires the affirmative vote of the holders of at least a majority of the outstanding shares of EyeWonder Series B preferred stock. In the event that a quorum is not present in person or represented by proxy at the special meeting, a majority of the outstanding shares that are present in person or represented by proxy and entitled to vote at the special meeting or, in the absence of any such stockholder, any officer entitled to preside at, or act as secretary of the meeting, may adjourn the meeting to another place, date or time. If a quorum is present in person or represented by proxy at the special meeting, approval of the adjournment proposal requires the affirmative vote of the majority of the outstanding shares of common stock and preferred stock that are present in person or represented by proxy and entitled to vote at the special meeting.

**Table of Contents**

**Regardless of whether you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible. If you hold stock in your name as a stockholder of record, please vote your shares by completing, signing, dating and returning the enclosed proxy card. If you sign, date and return your proxy card without indicating how you wish to vote, your proxy will be counted as a vote in favor of each of Proposal No. 1, Proposal No. 2, Proposal No. 3 and Proposal No. 4.** This will not prevent you from voting in person, but it will help to secure a quorum and avoid additional solicitation costs. Any holder of EyeWonder capital stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the special meeting in the manner described in the accompanying document.

**The EyeWonder board of directors has unanimously determined and believes that the merger is advisable and fair to, and in the best interest of, EyeWonder and its stockholders, and unanimously recommends that EyeWonder stockholders vote FOR approval of Proposal No. 1, FOR approval of Proposal No. 2, FOR approval of Proposal No. 3 and FOR approval of Proposal No. 4.**

By Order of the Board of Directors,

Sincerely,

John J. Vincent

Chief Executive Officer and Chairman

[            ], 2010

**YOUR VOTE IS IMPORTANT.**

**PLEASE VOTE YOUR SHARES PROMPTLY, REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING.**

**Table of Contents**

**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Limelight from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this proxy statement/prospectus, other than certain exhibits to those documents, or filed as exhibits to the registration statement of which this proxy statement/prospectus is a part, by requesting them in writing or by telephone from Limelight at the following address:

**Limelight Networks, Inc.**

2220 W. 14<sup>th</sup> Street

Tempe, Arizona 85281

Attention: Paul Alfieri, Investor Relations

Telephone: 917-297-4241

*You will not be charged for any of these documents that you request. If you would like to request documents, please do so by [ ], 2010 to receive them before the special meeting. If you request any incorporated documents, Limelight will strive to mail them to you by first-class mail, or other equally prompt means, within one business day of receipt of your request.*

See Where You Can Find More Information on page 164.

**ABOUT THIS PROXY STATEMENT/PROSPECTUS**

This proxy statement/prospectus, which forms a part of a registration statement on Form S-4 filed with the Securities and Exchange Commission, referred to as the SEC, constitutes a prospectus of Limelight under Section 5 of the Securities Act of 1933, as amended, referred to as the Securities Act, with respect to the shares of Limelight common stock to be issued to EyeWonder securityholders in connection with the merger. This document also constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act, and the rules thereunder, and a notice of meeting with respect to the special meeting of Limelight stockholders to consider and vote upon the issuance of shares of Limelight common stock proposal and the adjournment proposal.

Except as otherwise provided herein, all descriptions of and calculations made under the terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger, assume that no EyeWonder stockholders exercise appraisal rights under Delaware law. A copy of the Delaware statutory provisions relating to appraisal rights is included as Annex E to this proxy statement/prospectus, and a summary of these provisions can be found in the section entitled Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Appraisal Rights.

To facilitate the reading of this proxy statement/prospectus, in referring to we, us and other first person declarations, we are referring to both Limelight and EyeWonder or, in some instances, the combined company as it would exist following the completion of the merger.

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	1
<u>SUMMARY</u>	8
<u>SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA</u>	18
<u>How We Prepared the Financial Statements</u>	18
<u>Pro Forma Data</u>	18
<u>Merger-Related Expenses</u>	18
<u>Selected Historical Financial Data</u>	18
<u>Limelight Financial Data</u>	18
<u>EyeWonder Financial Data</u>	21
<u>SELECTED UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL DATA</u>	22
<u>COMPARATIVE PER SHARE DATA</u>	24
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	25
<u>RISK FACTORS</u>	26
<u>Risks Relating to the Merger</u>	26
<u>Risks Relating to Limelight</u>	33
<u>Risks Relating to EyeWonder</u>	49
<u>INFORMATION ABOUT THE COMPANIES</u>	59
<u>Limelight Networks, Inc.</u>	59
<u>Elvis Merger Sub One Corporation</u>	59
<u>Elvis Merger Sub Two LLC</u>	59
<u>EyeWonder, Inc.</u>	59
<u>THE LIMELIGHT SPECIAL MEETING</u>	62
<u>Time, Date and Place</u>	62
<u>Matters to Be Considered</u>	62
<u>Proxies</u>	62
<u>Solicitation of Proxies</u>	63
<u>Record Date</u>	63
<u>Voting Rights and Vote Required</u>	63
<u>Recommendation of the Limelight Board of Directors</u>	64
<u>Attending the Meeting</u>	64
<u>Adjournments and Postponements</u>	64
<u>Other Matters</u>	65
<u>Questions and Additional Information</u>	65
<u>THE EYEWONDER SPECIAL MEETING</u>	66
<u>Time, Date and Place</u>	66
<u>Matters to Be Considered</u>	66
<u>Proxies</u>	66
<u>Solicitation of Proxies</u>	67
<u>Notice Date and Record Date</u>	67
<u>Voting Rights and Vote Required</u>	68
<u>Recommendation of the EyeWonder Board of Directors</u>	69
<u>Attending the Meeting</u>	69
<u>Adjournments and Postponements</u>	69
<u>Appraisal Rights</u>	69
<u>Other Matters</u>	70
<u>Questions and Additional Information</u>	70
<u>LIMELIGHT PROPOSAL NO.1 AND EYEWONDER PROPOSAL NO. 1 THE MERGER</u>	71
<u>General Description of the Merger</u>	71

**Table of Contents**

	<b>Page</b>
<u>Background of the Merger</u>	71
<u>Reasons for the Merger</u>	74
<u>Opinion of Limelight's Financial Advisor</u>	80
<u>Interests of Limelight's Executive Officers and Directors in the Merger</u>	86
<u>Interests of EyeWonder's Executive Officers and Directors in the Merger</u>	87
<u>Appraisal Rights</u>	89
<u>Regulatory Approvals Required for the Merger</u>	92
<u>Restrictions on Resales</u>	92
<b><u>THE MERGER AGREEMENT</u></b>	93
<u>The Merger</u>	93
<u>Merger Consideration</u>	93
<u>Treatment of EyeWonder Stock Options and Warrants</u>	95
<u>Completion of the Merger</u>	95
<u>Closing Payment Procedures</u>	96
<u>Representations and Warranties</u>	98
<u>Material Adverse Effect</u>	100
<u>Covenants; Conduct of Business Prior to the Merger</u>	101
<u>Limitation on the Solicitation, Negotiation and Discussion of Other Acquisition Proposals by EyeWonder</u>	104
<u>Limelight and EyeWonder Stockholder Meetings</u>	105
<u>Commercially Reasonable Efforts to Complete</u>	106
<u>Employee Matters</u>	106
<u>Directors' and Officers' Indemnification and Insurance</u>	107
<u>Stockholder Release</u>	108
<u>Conditions to Complete the Merger</u>	108
<u>Escrow; Indemnification; Appointment of Stockholder Representative</u>	110
<u>Termination of the Merger Agreement</u>	111
<u>Expenses and Termination Fees</u>	113
<u>Amendment and Waiver</u>	114
<b><u>EXCHANGE AGREEMENT</u></b>	114
<b><u>VOTING AGREEMENTS</u></b>	115
<u>EyeWonder Voting Agreement</u>	115
<u>Limelight Voting Agreement</u>	116
<b><u>STOCK PURCHASE AGREEMENTS</u></b>	117
<b><u>EYEWONDER MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u></b>	119
<u>Overview</u>	119
<u>Revenues and Expenses</u>	119
<u>Results of Operations</u>	120
<u>Liquidity and Capital Resources</u>	123
<u>Contractual Obligations</u>	124
<u>Off-Balance Sheet Arrangements</u>	125
<u>Critical Accounting Policies</u>	125
<u>Quantitative and Qualitative Disclosures about Market Risk</u>	126
<b><u>MANAGEMENT AND OTHER INFORMATION</u></b>	128
<u>Board of Directors of EyeWonder</u>	128
<u>Related Transactions and Business Relationships</u>	129
<u>Compensation of Directors and Executive Officers of EyeWonder</u>	130
<u>Compensation Committee Interlocks and Insider Participation</u>	134
<b><u>LIMELIGHT PROPOSAL NO. 2 – POSSIBLE ADJOURNMENT OF THE LIMELIGHT SPECIAL MEETING</u></b>	134

**Table of Contents**

	<b>Page</b>
<u>EYEWONDER PROPOSAL NO. 2 CONVERSION OF SERIES A PREFERRED STOCK</u>	134
<u>EYEWONDER PROPOSAL NO. 3 CONVERSION OF SERIES B PREFERRED STOCK</u>	135
<u>EYEWONDER PROPOSAL NO. 4 POSSIBLE ADJOURNMENT OF THE EYEWONDER SPECIAL MEETING</u>	135
<u>SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF EYEWONDER</u>	136
<u>ACCOUNTING TREATMENT</u>	139
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	140
<u>UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS</u>	143
<u>NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS</u>	146
<u>MARKET PRICE AND DIVIDEND DATA</u>	153
<u>COMPARISON OF STOCKHOLDERS RIGHTS</u>	155
<u>STOCKHOLDER PROPOSALS</u>	162
<u>LEGAL MATTERS</u>	163
<u>EXPERTS</u>	163
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	164
<u>INDEX TO FINANCIAL STATEMENTS</u>	F-1
ANNEXES	
ANNEX A Agreement and Plan of Merger	A-1
ANNEX B Form of EyeWonder Voting Agreement	B-1
ANNEX C Form of Limelight Voting Agreement	C-1
ANNEX D Form of EyeWonder Purchase Agreement	D-1
ANNEX E Section 262 of the General Corporation Law of the State of Delaware Appraisal Rights	E-1
ANNEX F Opinion of Limelight's Financial Advisor	F-1
<u>PART II INFORMATION NOT REQUIRED IN PROSPECTUS</u>	II-1
<u>Indemnification of Directors and Officers</u>	II-1
<u>Exhibits and Financial Statement Schedules</u>	II-2
<u>Undertakings</u>	II-2
<u>INDEX TO EXHIBITS</u>	
EXHIBIT 23.2	
EXHIBIT 23.3	

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: What is the merger?**

A: Limelight and EyeWonder have entered into an agreement and plan of merger, dated as of December 21, 2009, which is referred to in this proxy statement/prospectus as the merger agreement, that contains the terms and conditions of the proposed acquisition of EyeWonder by Limelight. Under the merger agreement, Elvis Merger Sub One Corporation, a wholly owned subsidiary of Limelight, will merge with and into EyeWonder with EyeWonder continuing as the interim surviving entity. We refer to this transaction as the first step merger. The merger agreement contemplates that immediately following the first step merger, Limelight will cause EyeWonder to merge with and into Elvis Merger Sub Two LLC, a wholly owned subsidiary of Limelight, with Elvis Merger Sub Two LLC continuing as the surviving entity. This transaction is referred to as the second step merger and, together with the first step merger, are referred to as the merger. The shares of Limelight common stock to be issued to EyeWonder securityholders in the first step merger are expected to represent approximately 13% of the outstanding shares of Limelight common stock immediately following the completion of the merger, which percentage is based upon the number of outstanding shares of Limelight common stock on March 1, 2010. For a more complete description of the merger, please see the section entitled "Limelight Proposal No. 1 and EyeWonder Proposal No. 1 – The Merger" on page 71.

**Q: Why am I receiving this proxy statement/prospectus?**

A: You are receiving this proxy statement/prospectus because you have been identified as a stockholder of either Limelight or EyeWonder, and thus you are entitled to vote at the applicable company's special meeting. This document serves as both a proxy statement of Limelight and EyeWonder, used to solicit proxies for the respective special meetings, and as a prospectus of Limelight, used to offer shares of Limelight common stock pursuant to the terms of the merger agreement. This document contains important information about the merger and the special meetings of the respective stockholders of Limelight and EyeWonder, and you should read it carefully.

**Q: What is required to complete the merger?**

A: To complete the merger, Limelight stockholders must approve the issuance of shares of Limelight common stock in the first merger, which approval requires the affirmative vote of the holders of a majority of the shares entitled to vote on the subject matter and present in person or represented by proxy at the Limelight special meeting. In addition, EyeWonder stockholders must adopt the merger agreement, which adoption requires the affirmative vote of the holders of a majority of the outstanding shares of EyeWonder capital stock having voting power, present in person or by proxy, at the special meeting. In addition to the receipt of stockholder approval and appropriate regulatory approvals, including antitrust clearance, each of the other closing conditions set forth in the merger agreement must be satisfied or waived. For a more complete description of the closing conditions under the merger agreement, we urge you to read the section entitled "The Merger Agreement – Conditions to Complete the Merger" on page 108 and the merger agreement attached to this proxy statement/prospectus as Annex A.

**Q: What will EyeWonder securityholders receive in the merger?**

A: As a result of the merger, EyeWonder securityholders will receive a combination of cash in the aggregate amount of \$62 million, subject to adjustments as described below, and 12,740,000 shares of Limelight common stock. In addition, EyeWonder securityholders may receive up to an aggregate amount of 4,774,000 shares of Limelight common stock and approximately \$292,000 after the closing of the merger if certain performance metrics are satisfied. The amount of cash and stock payable to the EyeWonder

---

**Table of Contents**

securityholders at closing is subject to a number of factors which we summarize below that will not be known with certainty until after the closing.

The \$62 million cash portion of the aggregate merger consideration will be adjusted upward by the amount of EyeWonder's cash and cash equivalents as of the closing and the amount by which its working capital exceeds \$8.3 million at closing, and downward by the amount of EyeWonder's debt outstanding at closing, EyeWonder's transaction costs not paid prior to closing, and the amount by which EyeWonder's working capital is less than \$8.3 million at closing. EyeWonder currently estimates that the adjustments will reduce the cash portion of the merger consideration by approximately \$11.6325 million, resulting in an estimated \$50.3675 million of cash payable to the EyeWonder securityholders at the closing, or approximately \$2.1090 per share of EyeWonder common stock based on an estimated 23,882,275 shares of EyeWonder common stock outstanding as of the closing and after giving effect to the exercise or conversion of all outstanding stock options and warrants.

EyeWonder securityholders will also be entitled to receive as part of the merger consideration an aggregate of 12,740,000 shares of Limelight common stock, or approximately 0.5335 shares of Limelight common stock for each share of EyeWonder common stock they hold. An estimated 3,013,699 of these shares, or 0.1262 shares for each share of EyeWonder common stock outstanding as of the closing, will be placed in escrow pursuant to the merger agreement and not delivered until after the end of the escrow period on June 28, 2011, subject to any indemnification claims made by Limelight under the merger agreement. Accordingly, at closing, EyeWonder stockholders will receive approximately 0.4073 shares of Limelight common stock for each share of EyeWonder common stock they hold upon the completion of the merger.

If the performance metrics are satisfied, EyeWonder securityholders will receive up to an additional 4,774,000 shares of Limelight common stock and \$292,000 in cash in approximately April 2011, or 0.1999 shares for each share of EyeWonder common stock held as of the closing and \$0.01 per share of EyeWonder common stock held as of the closing.

You should be aware that the above per share amounts are estimates only and are subject to change under certain circumstances as described above and set forth more fully in the merger agreement, and that the merger agreement does not provide for a maximum cap or other limitation on the amount of such adjustments to the cash portion of the aggregate merger consideration. The actual consideration EyeWonder securityholders receive in exchange for their EyeWonder stock may be more, less or the same as these estimates. For a more complete description of what EyeWonder securityholders will receive in the merger, we urge you to read the section entitled "The Merger Agreement Merger Consideration" on page 93 and the merger agreement attached to this proxy statement/prospectus as Annex A. We also refer you to the tables on pages 14 to 15 of the summary to this proxy statement/prospectus.

**Q: What will holders of EyeWonder preferred stock receive as a result of the merger?**

A: Immediately prior to the effective time of the first-step merger, each outstanding share of EyeWonder preferred stock will be converted into shares of EyeWonder common stock in accordance with the EyeWonder certificate of incorporation and will be entitled to receive the same consideration per share as the other issued and outstanding shares of EyeWonder common stock. For more information, we urge you to read the section entitled "The Merger Agreement Merger Consideration" on page 93 and the merger agreement attached to this proxy statement/prospectus as Annex A.

**Q: Is any portion of the merger consideration being set aside as an escrow?**

A: Yes. Upon the completion of the merger, Limelight will deduct an amount of cash and Limelight common stock with an aggregate value of approximately \$11 million from the total merger consideration otherwise payable in the merger to EyeWonder securityholders to be held in escrow as security for indemnification claims under the merger agreement. Limelight and EyeWonder agreed in the merger agreement to use as many Limelight shares in the escrow as was practicable given U.S. tax considerations. As such, the





---

**Table of Contents**

aggregate of (A) the lesser of (i) 3,013,699 shares of Limelight common stock and (ii) the maximum number of shares of Limelight common stock that would result in the cash portion of the merger consideration payable by Limelight not exceeding 60% of the total consideration paid at closing, and (B) cash in the amount of \$11 million minus the product of (i) the number of shares of Limelight included as part of the escrow amount in accordance with the terms just described, times (ii) \$3.65, will be set aside in the escrow. Based on the adjustments that we currently expect to be made to the cash portion of the merger consideration, we estimate that the escrow will consist solely of 3,013,699 shares of Limelight common stock, and no cash. The escrow fund will be held until June 28, 2011, subject to any unresolved indemnification claims. For more information, we urge you to read the section entitled "The Merger Agreement - Closing Payment Procedures" on page 96 and the merger agreement attached to this proxy statement/prospectus as Annex A.

**Q: What are the earn-out provisions?**

A: In addition to the merger consideration, Limelight will issue to the EyeWonder securityholders, in proportion to their pro rata portions, a number of shares of Limelight common stock and cash determined by certain performance metrics of the final surviving entity during the performance period, which is the calendar year ending December 31, 2010. The maximum aggregate number of shares of Limelight common stock and cash that may be issued to the EyeWonder securityholders under the earn-out provisions is 4,774,000 and approximately \$292,000 cash. For more information, we urge you to read the section entitled "The Merger Agreement - Closing Payment Procedures" on page 96 and the merger agreement attached to this proxy statement/prospectus as Annex A.

**Q: What will holders of EyeWonder options and warrants receive as a result of the merger?**

A: Each EyeWonder stock option that is outstanding and unexercised immediately prior to the completion of the first merger will be cancelled and will not be assumed by Limelight. Additionally, Limelight will not assume any EyeWonder warrants in connection with the merger. After the effective time of the merger, Limelight intends to instruct the exchange agent to pay any holder of EyeWonder options not exercised prior to the effective time the merger consideration into which the shares of EyeWonder stock underlying such options could have been converted as of immediately prior to the effective time had such options been exercised, less the exercise price of such options and less the pro rata portion of the escrow amount attributable to such shares of EyeWonder stock. At the effective time of the merger, each EyeWonder warrant then outstanding will be cancelled and converted without exercise into and represent the right to receive the merger consideration into which the shares of EyeWonder stock underlying such EyeWonder warrant have been converted, less the conversion price of such EyeWonder warrant and less the pro rata portion of the escrow amount attributable to such shares of EyeWonder stock.

The exercise price for each outstanding EyeWonder stock option ranges from \$0.005 per option to \$2.00 per option and the conversion price for each outstanding EyeWonder warrant ranges from \$0.0002 per share to \$0.75 per share. Based on the exercise price and conversion price of each outstanding EyeWonder stock option and EyeWonder warrant, as applicable, none of the outstanding EyeWonder stock options or EyeWonder warrants will be underwater at the closing of the merger.

For illustrative purposes only and based on the assumptions set forth in the section entitled "Summary - The Merger Agreement - Merger Consideration" beginning on page 14, each outstanding EyeWonder option exercisable for a share of EyeWonder common stock and each outstanding EyeWonder warrant convertible into a share of EyeWonder common stock will receive the following consideration at closing in connection with the merger:

if the exercise price for such EyeWonder option or warrant is \$0.005, \$2.1040 in cash and 0.4073 shares of Limelight common stock;