ANTHEM INC
Form S-4/A
June 07, 2002

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As Filed With The Securities And Exchange Commission on June 7, 2002

Registration No. 333-88776

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ANTHEM, INC.

(Exact name of Registrant as specified in its charter)

Indiana	**6324**	**35-2145715**
(State or other jurisdiction of incorporation)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

120 Monument Circle
Indianapolis, Indiana 46204
(317) 488-6000

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

DAVID R. FRICK
Executive Vice President and Chief Legal and Administrative Officer
Anthem, Inc.
120 Monument Circle
Indianapolis, Indiana 46204
(317) 488-6000

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

With copies to:

Stephen M. Kotran, Esq.	**James A. Aschleman, Esq.**	**J. Christopher Wiltshire, Esq.**	**R. Gordon Smith, Esq.**	**Edward D. Herlihy, Esq.**
Sullivan & Cromwell	**Baker & Daniels**	**Trigon Healthcare, Inc.**	**McGuireWoods LLP**	**Wachtell, Lipton, Rosen & Katz**
125 Broad Street	**300 N. Meridian Street**	**2015 Staples Mill Road**	**One James Center**	**51 West 52nd Street**
New York, New York 10004	**Suite 2700**		**901 East Cary Street**	**New York, New York**
	Indianapolis, Indiana		**Richmond, Virginia 23219**	

(212) 558-4000	46204 (317) 237-0300	Richmond, Virginia 23230 (804) 354-7000	(804) 775-1000	10019 (212) 403-1000

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

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. / / __________

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Anthem, Inc. and Trigon Healthcare, Inc. have entered into a merger agreement and agreed to combine their companies. We believe that through combining operating expertise and capturing new efficiencies, the merger of Anthem and Trigon will allow us to advance the long-term interests of both companies and to create more shareholder value than could be achieved by either company individually.

If the merger is completed, Trigon shareholders will have the right to receive, subject to adjustment as set forth in the merger agreement, $30.00 in cash, without interest, and 1.062 shares of Anthem common stock for each share of Trigon Class A common stock they hold. Anthem shareholders will continue to own their existing Anthem shares and will own approximately 72% of the combined company's common stock. The implied value of one share of Trigon Class A common stock on June 6, 2002, the last practicable trading day before the distribution of this document, was $104.82, based on the closing price of Anthem common stock on that date plus $30.00. This value will fluctuate prior to completion of the merger.

We cannot complete the merger unless, among other things, the shareholders of both our companies approve it. Each of us will hold a special meeting of our shareholders to vote on this merger proposal. **Your vote is important.** The places, dates and times of the special meetings are as follows:

For Anthem shareholders:
July 23, 2002
10:00 a.m., local time
Anthem, Inc.
120 Monument Circle
Indianapolis, Indiana 46204
Anthem's board of directors unanimously recommends that Anthem shareholders vote FOR the issuance of Anthem common stock in the merger.

For Trigon shareholders:
July 23, 2002
11:00 a.m., local time
Trigon Healthcare, Inc.
2015 Staples Mill Road
Richmond, Virginia 23230
Trigon's board of directors unanimously recommends that Trigon shareholders vote FOR approval of the merger agreement.

This document describes the shareholder meetings, the merger, the documents related to the merger and other related matters. **Please read this entire document carefully, including the section discussing risk factors beginning on page 16.** You can also obtain information about our companies from documents that we have each filed with the Securities and Exchange Commission.

LARRY C. GLASSCOCK	THOMAS G. SNEAD, JR.
President and Chief Executive Officer	Chairman and Chief Executive Officer
Anthem, Inc.	Trigon Healthcare, Inc.

Anthem common stock is listed on the New York Stock Exchange under the symbol "ATH." Trigon Class A common stock is listed on the New York Stock Exchange under the symbol "TGH."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Anthem common stock to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The date of this joint proxy statement/prospectus is June 7, 2002, and it is first being mailed or otherwise delivered to Anthem shareholders and Trigon shareholders on or about June 12, 2002.

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Trigon from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this document, other than certain exhibits to those documents, by requesting them in writing or by telephone from Trigon at the following address:

Trigon Healthcare, Inc.

2015 Staples Mill Road

Richmond, Virginia 23230

Attention: Chris Drake

Investor Relations

Telephone: (804) 354-3463

You will not be charged for any of these documents that you request. Trigon shareholders requesting documents should ensure that Trigon receives the request on or before July 15, 2002 in order to receive them before the Trigon special meeting.

See "WHERE YOU CAN FIND MORE INFORMATION" on page 186.

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120 Monument Circle
Indianapolis, Indiana 46204

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Anthem's Shareholders:

NOTICE IS HEREBY GIVEN that a special meeting of Anthem shareholders will be held at Anthem's headquarters, 120 Monument Circle, Indianapolis, Indiana, at 10:00 a.m., local time, on July 23, 2002. The purpose of the Anthem special meeting is to consider and to vote upon the following matters:

- a proposal to issue shares of Anthem common stock in connection with the merger contemplated by the Agreement and Plan of Merger, dated as of April 28, 2002, among Anthem, AI Sub Acquisition Corp., a direct wholly owned subsidiary of Anthem, and Trigon Healthcare, Inc.; and

- such other business as may properly come before the Anthem special meeting or any adjournment or postponement thereof.

In the merger, each share of Trigon Class A common stock will be converted into, subject to adjustment as set forth in the merger agreement, the right to receive $30.00 in cash, without interest, and 1.062 shares of Anthem common stock. Your attention is directed to the joint proxy statement/prospectus accompanying this notice for a discussion of the merger. A copy of the merger agreement is included as Appendix A to the accompanying joint proxy statement/prospectus.

Anthem has fixed the close of business on June 6, 2002 as the record date for the Anthem special meeting, and only Anthem shareholders of record at such time will be entitled to receive notice of and to vote at the special meeting or any adjournment or postponement thereof. In order to approve the issuance of Anthem common stock in the merger, the total number of votes cast at the Anthem special meeting must represent over 50% of all Anthem common stock entitled to vote, and a majority of the shares voting at the Anthem special meeting must vote in favor of the issuance. **Therefore, your vote is very important.** A complete list of Anthem shareholders entitled to vote at the Anthem special meeting will be made available for inspection by any Anthem shareholder for five business days prior to the Anthem special meeting at the principal executive offices of Anthem and at the time and place of the Anthem special meeting.

All Anthem shareholders entitled to notice of, and to vote at, the Anthem special meeting are cordially invited to attend the Anthem special meeting in person. **However, to ensure your representation at the special meeting, please submit your proxy, either by mail, by telephone or through the Internet with voting instructions.** The submission of your proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of Anthem common stock who is present at the Anthem 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 vote is taken at the Anthem special meeting.

The Anthem board of directors has unanimously approved the merger agreement and unanimously recommends that Anthem shareholders vote "FOR" the issuance of Anthem common stock in the merger.

YOUR VOTE IS IMPORTANT.

BY ORDER OF THE BOARD OF DIRECTORS,

Nancy L. Purcell
Secretary

Indianapolis, Indiana
June 7, 2002

2015 Staples Mill Road
Richmond, Virginia 23230

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Trigon's Shareholders:

NOTICE IS HEREBY GIVEN that a special meeting of Trigon shareholders will be held at Trigon's headquarters at 2015 Staples Mill Road, Richmond, Virginia, at 11:00 a.m., local time, on July 23, 2002. The purpose of the Trigon special meeting is to consider and to vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of April 28, 2002 among Anthem, Inc., AI Sub Acquisition Corp., a direct wholly owned subsidiary of Anthem, and Trigon, and the transactions contemplated by the merger agreement, including the merger; and

such other business as may properly come before the Trigon special meeting or any adjournment or postponement thereof.

In the merger, each share of Trigon Class A common stock will be converted into, subject to adjustment as set forth in the merger agreement, the right to receive $30.00 in cash, without interest, and 1.062 shares of Anthem common stock. Your attention is directed to the joint proxy statement/prospectus accompanying this notice for a discussion of the merger. A copy of the merger agreement is included as Appendix A to the accompanying joint proxy statement/prospectus.

Trigon has fixed the close of business on June 6, 2002 as the record date for the Trigon special meeting, and only Trigon shareholders of record at such time will be entitled to receive notice of and to vote at the special meeting or any adjournment or postponement thereof. In order to approve the merger agreement and the transactions contemplated by the merger agreement, more than 66$^{2}/_{3}$% of the outstanding shares of Trigon Class A common stock entitled to vote must vote to approve the merger agreement. **Therefore, your vote is very important.** A list of Trigon shareholders entitled to vote at the special meeting will be available for inspection by any shareholder during regular business hours at Trigon's offices, 2015 Staples Mill Road, Richmond, Virginia, for ten days prior to the date of the special meeting and will also be available at the special meeting.

All Trigon shareholders entitled to notice of, and to vote at, the Trigon special meeting are cordially invited to attend the Trigon special meeting in person. **However, to ensure your representation at the special meeting, please submit your proxy, either by mail, by telephone or through the Internet with voting instructions**. The submission of your proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of Trigon common stock who is present at the Trigon 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 vote is taken at the Trigon special meeting.

The Trigon board of directors has unanimously determined that the terms of the merger agreement and the transactions contemplated by it are advisable, fair to and in the best interests of Trigon and its shareholders and unanimously recommends that Trigon shareholders vote "FOR" the approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

YOUR VOTE IS IMPORTANT.

BY ORDER OF THE BOARD OF DIRECTORS,

J. Christopher Wiltshire
Secretary

Richmond, Virginia
June 7, 2002

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APPENDICES

APPENDIX A	Agreement and Plan of Merger, dated as of April 28, 2002, among Anthem, Inc., AI Sub Acquisition Corp. and Trigon Healthcare, Inc.	A-1
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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q:

What do I need to do now?

A:

After you have carefully read this entire document, please vote your shares of either Anthem common stock or Trigon Class A common stock. You may do this either by completing, signing, dating and mailing the enclosed proxy card or by submitting your proxy by telephone or through the Internet, as explained in this document. This will enable your shares to be represented and voted at the Anthem special meeting or the Trigon special meeting.

Q:

Why is my vote important?

A:

If you do not return your proxy card, submit your proxy by telephone or through the Internet or vote in person at your special meeting, it will be more difficult for Anthem and Trigon to obtain the necessary quorum to hold their special meetings. In addition, if you are an Anthem shareholder, your failure to vote will have the result of reducing the number of affirmative votes required to approve the issuance of Anthem common stock in the merger. If you are a Trigon shareholder, your failure to vote will have the same effect as a vote against approval of the merger agreement.

Q:

If my shares are held in "street name" by my broker, will my broker automatically vote my shares for me?

A:

No. Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the directions your broker provides. Please check the voting form used by your broker to see if it offers telephone or Internet voting.

Q:

What if I fail to instruct my broker?

A:

If you fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, the resulting broker "non-vote" will be counted toward a quorum at the respective special meeting, but it will otherwise have the consequences set forth above under "*Why is my vote important?"*

Q:

Can I attend the special meeting and vote my shares in person?

A:

Yes. Shareholders of record of both Anthem and Trigon are invited to attend their respective special meetings and can vote in person at their meetings. If a broker holds your shares, then you are not the shareholder of record and you must ask your broker how you can vote in person at the special meeting.

Q:

Can I change my vote?

A:

Yes. If you have not voted through your broker, there are three ways you can change your proxy instructions after you have submitted your proxy card, or submitted your proxy telephonically, or through the Internet.

First, you may send a written notice to the person to whom you submitted your proxy revoking your proxy.

Second, you may complete and submit a new proxy card or submit a new proxy by telephone or through the Internet. The latest proxy actually received by Anthem or Trigon before the shareholders' meeting will be counted, and any earlier proxies will be revoked.

Third, you may attend the Anthem special meeting or the Trigon special meeting and vote in person. Any earlier proxy will thereby be revoked. However, simply attending the meeting without voting will ***not*** revoke your proxy.

If you have instructed a broker to vote your shares, you must follow directions you receive from your broker in order to change or revoke your vote.

Q:

Should I send in my stock certificates now?

A:

No. You should not send in your stock certificates at this time. Trigon shareholders will need to exchange their Trigon stock certificates for cash and Anthem stock certificates after we complete the merger. We will send you instructions for exchanging Trigon stock certificates at that time. Anthem shareholders do not need to exchange their stock certificates as a result of the merger.

Q:

Whom should I call with questions?

A:

Anthem and Trigon shareholders with any questions about the merger and related transactions should call Georgeson Shareholder Communications, Inc. toll-free at 1-866-811-4117.

SUMMARY

This summary highlights selected information from this document. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which this document refers you in order to fully understand the merger and the related transactions. See "WHERE YOU CAN FIND MORE INFORMATION" on page 186. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.

The Companies (page 35)

Anthem, Inc.

120 Monument Circle
Indianapolis, Indiana 46204
(317) 488-6000

Anthem is one of the nation's largest health benefits companies, serving approximately eight million members, primarily in Indiana, Kentucky, Ohio, Connecticut, New Hampshire, Maine, Colorado and Nevada. Anthem holds the leading market position in seven of these eight states and owns the exclusive right to market its products and services using the Blue Cross[nc_cad,176] Blue Shield[nc_cad,176], or BCBS, names and marks in all eight states under license agreements with the Blue Cross Blue Shield Association, or BCBSA, an association of independent BCBS plans. Anthem seeks to be a leader in the health benefits industry by offering a broad selection of flexible and competitively priced health benefits products.

Trigon Healthcare, Inc.

2015 Staples Mill Road
Richmond, Virginia 23230
(804) 354-7000

Trigon is Virginia's largest health benefits company, providing a broad range of health, wellness and healthcare financing programs and services to more than two million members. Trigon offers indemnity, preferred provider organization and health maintenance organization products as well as health management services such as disease management and high-risk maternity programs. Trigon owns the exclusive right to market its products and services using the BCBS names and marks in the Commonwealth of Virginia, excluding a small portion of northern Virginia consisting of suburbs adjacent to Washington, D.C.

AI Sub Acquisition Corp.

AI Sub Acquisition Corp. is an Indiana corporation and a direct wholly owned subsidiary of Anthem. AI Sub Acquisition Corp. was formed exclusively for the purpose of completing the merger.

The Merger (page 39)

We are proposing a merger of Trigon with and into AI Sub Acquisition Corp., with AI Sub Acquisition Corp. as the surviving corporation in the merger. After the merger is completed, the surviving corporation will be a wholly owned subsidiary of Anthem and will be named "Anthem Southeast, Inc."

Merger Consideration (page 39)

As a result of the merger, each Trigon shareholder will have the right to receive, subject to adjustment as set forth in the merger agreement, $30.00 in cash, without interest, and 1.062 shares of Anthem common stock for each share of Trigon Class A common stock held. Upon completion of the merger, we expect that Anthem shareholders will own approximately 72% of the combined company and Trigon shareholders will own approximately 28% of the combined company. Anthem will not issue any fractional shares. Trigon shareholders will instead receive an amount in cash equal to the value of any fractional shares that would have been issued, which value will be based on the closing price of Anthem common stock on the trading day on which the merger is completed.

For example: if you hold 100 shares of Trigon Class A common stock you will receive $3,000 plus 106 shares of Anthem common stock. In addition, you will receive a cash payment in lieu of the 0.2

shares of Anthem common stock that you would have otherwise received.

We have also agreed that if, at the time we would otherwise complete the merger, the market price of a share of Anthem common stock is less than $55.00 and has underperformed a weighted average index of the market prices of shares of common stock of the health benefits companies set forth in the merger agreement by 15% or more since April 26, 2002, Trigon may terminate the merger agreement. However, if Trigon elects to terminate the merger agreement under such circumstances, Anthem will have the right, but not the obligation, to prevent the merger agreement from being terminated by either increasing the number of shares of Anthem common stock to be issued for each share of Trigon Class A common stock or increasing the amount of cash to be paid for each share of Trigon Class A common stock, or a combination of both, in order to satisfy the minimum price criteria contained in the merger agreement. Anthem will not be able to increase the amount of cash to be paid for each share of Trigon Class A common stock unless after such increase, the status of the merger as a "reorganization" under the Internal Revenue Code is preserved.

Share Information and Comparative Market Prices (page 66 and page 177)

Anthem common stock is listed on the New York Stock Exchange under the symbol "ATH." Trigon Class A common stock is listed on the New York Stock Exchange under the symbol "TGH." The following table sets forth the closing sale prices of Anthem common stock and Trigon Class A common stock as reported on the New York Stock Exchange on April 26, 2002, the last trading day before we announced the merger, and on June 6, 2002, the last practicable trading day before the distribution of this document. This table also shows the implied value of one share of Trigon Class A common stock, which we calculated by multiplying the closing price of Anthem common stock on those dates by 1.062 and adding $30.00.

	Anthem Common Stock	Trigon Class A Common Stock	Implied Value of One Share of Trigon Class A Common Stock
April 26, 2002	$ 70.70	$ 84.25	$ 105.08
June 6, 2002	$ 70.45	$ 104.70	$ 104.82

The market prices of both Anthem common stock and Trigon Class A common stock will fluctuate prior to the merger. Therefore, you should obtain current market quotations for Anthem common stock and Trigon Class A common stock.

Material United States Federal Income Tax Consequences of the Merger to Trigon Shareholders (page 94)

The receipt of Anthem common stock by Trigon shareholders in exchange for their Trigon Class A common stock in the merger will generally be tax-free. Trigon shareholders will generally recognize gain with respect to the cash they receive in the merger.

Tax matters can be complicated and the tax consequences of the merger to Trigon shareholders will depend on each shareholder's particular tax situation. Trigon shareholders should consult their tax advisors to fully understand the tax consequences of the merger to them.

Reasons for the Merger (page 44 and page 47)

Our companies are proposing to merge because, among other things, we believe that:

- the merger will provide Anthem with an excellent opportunity to expand its services to a new region as well as to capitalize upon Anthem's and Trigon's business models;
- both companies have a common strategic focus on delivering the highest value to customers and, working together, we expect to expand future opportunities and capture new efficiencies; and
- the merger will strengthen the combined company's position as a competitor in the health benefits industry, which is rapidly changing, consolidating and growing more competitive.

Recommendations to Shareholders (page 44 and page 47)

The Anthem board of directors has unanimously approved the merger agreement and unanimously recommends that Anthem's shareholders vote "**FOR**" the issuance of Anthem common stock in the merger.

The Trigon board of directors has unanimously determined that the terms of the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of Trigon and its shareholders and unanimously recommends that Trigon shareholders vote "**FOR**" approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Opinion of Anthem's Financial Advisor (page 50)

Goldman, Sachs & Co. delivered its written opinion to Anthem's board of directors to the effect that, as of April 28, 2002, and based upon and subject to the factors and assumptions set forth therein, the $30.00 in cash and 1.062 shares of Anthem common stock to be paid for each outstanding share of Trigon Class A common stock is fair, from a financial point of view, to Anthem.

The full text of the written opinion of Goldman Sachs, dated April 28, 2002, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Appendix C to this document. Goldman Sachs provided its opinion for the information and assistance of Anthem's board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any Anthem shareholder should vote with respect to the issuance of Anthem common stock in the merger. Anthem's shareholders are urged to read the opinion in its entirety.

Opinion of Trigon's Financial Advisor (page 59)

Bear, Stearns & Co. Inc. has delivered its written opinion to Trigon's board of directors to the effect that, as of April 27, 2002, and based upon and subject to the considerations set forth therein, the $30.00 in cash, without interest, and 1.062 shares of Anthem common stock to be paid for each share of Trigon Class A common stock is fair, from a financial point of view, to the holders of Trigon Class A common stock.

The written opinion of Bear Stearns, dated April 27, 2002, is attached as Appendix D to this document. The opinion sets forth assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Bear Stearns in providing its opinion. The written opinion of Bear Stearns is directed to Trigon's board of directors and addresses only the fairness from a financial point of view to the holders of Trigon Class A common stock, as of the date of the opinion, of the per share merger consideration to be paid by Anthem pursuant to the merger agreement. The written opinion of Bear Stearns does not address any other aspect of the transaction and does not constitute a recommendation to Trigon's shareholders as to how to vote at Trigon's shareholder meeting. If you are a Trigon shareholder, you are urged to carefully read the entire opinion in Appendix D.

Neither Anthem nor Trigon Shareholders have Dissenters' Rights (page 67)

Anthem is incorporated in Indiana; Trigon is incorporated in Virginia. Under Indiana law, Anthem shareholders do not have any right to a court determination of the fair value of their shares of Anthem common stock in connection with the merger. Similarly, under Virginia law, Trigon shareholders do not have any right to a court determination of the fair value of their shares of Class A common stock in connection with the merger.

The Merger Agreement (page 73)

The merger agreement is attached as Appendix A to this document. We urge you to read the entire document because it is the legal document governing the merger.

Conditions that Must be Satisfied or Waived for the Merger to Occur (page 77)

As more fully described in this document and the merger agreement, the completion of the merger depends on a number of conditions being satisfied or waived, including receipt of shareholder, regulatory and BCBSA approvals and tax opinions.

Although we expect to complete the merger during the second half of 2002, we cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination of the Merger Agreement (page 83)

We may mutually agree to terminate the merger agreement before completing the merger, even after approval of the merger agreement by Trigon shareholders and approval of the issuance of Anthem common stock by Anthem shareholders. Each of us may also terminate the merger agreement if Anthem's shareholders do not approve the issuance of Anthem common stock in the merger or if a final injunction is issued against the merger.

Also, either of us may decide to terminate the merger agreement, even after the requisite shareholder approvals have been received, if the merger has not been completed by January 28, 2003 or, generally, if the closing conditions in the merger agreement, such as obtaining the necessary regulatory approvals, have become incapable of satisfaction or the other party has materially breached the merger agreement and the breach has not been cured or is incapable of being cured.

In addition, Anthem may terminate the merger agreement under the circumstances described in the merger agreement if Trigon's board of directors withdraws, amends or modifies its recommendation of the merger in a manner adverse to Anthem or approves or recommends a business combination transaction with a person other than Anthem or if Trigon's shareholders do not approve the merger agreement. Additionally, subject to Anthem's right to increase the merger consideration to prevent the merger agreement from being terminated, Trigon may terminate the merger agreement if, at the time the parties would otherwise complete the merger, the market price of a share of Anthem common stock, as determined as set forth in the merger agreement, is less than $55.00 and has underperformed a weighted average index of the market prices of shares of common stock of the health benefits companies set forth in the merger agreement by 15% or more since April 26, 2002.

Termination Fees (page 86)

We have agreed that, under specific circumstances described in the merger agreement, Trigon will be obligated to pay Anthem a termination fee of up to $189.2 million. These circumstances generally include a third party proposing a business combination transaction with Trigon and, prior to the withdrawal of such proposal:

- Trigon's board of directors withdraws, amends or modifies its recommendation of the merger in a manner adverse to Anthem or approves or recommends the business combination transaction with the third party;
- Trigon shareholders do not approve the merger agreement; or
- Trigon materially breaches its agreement to, among other things, use its reasonable best efforts to solicit and obtain its shareholders' approval of the merger agreement, not solicit, encourage or facilitate a business combination with a third party or negotiate with or provide confidential information to third parties in connection with such a business combination transaction.

In addition, generally, in order for the termination fee to be payable, Trigon must sign an agreement regarding, or complete, a business combination transaction with a third party within 12 months after termination of the merger agreement; however, if Anthem terminates the merger agreement by the end of the first business day following notice that Trigon's board of directors has withdrawn, amended or modified

its recommendation of the merger or approved or recommended a business combination transaction with a third party and such proposed transaction is still pending at the time of such termination, half of the termination fee approximately $94.6 million will be payable in cash within one business day of that termination. The other half will be payable only if and when a business combination transaction with a third party is actually signed or completed within 12 months after termination of the merger agreement.

Trigon Granted a Stock Option to Anthem (page 89)

To induce Anthem to enter into the merger agreement, Trigon granted Anthem an option to purchase up to an aggregate of 19.9% of the shares of Trigon Class A common stock at a price per share of $84.25. Anthem cannot exercise this option, or require Trigon to repurchase this

option or any shares purchased under it, unless the merger agreement is terminated and the full termination fee of approximately $189.2 million (or the remaining $94.6 million portion of such fee) due under the merger agreement is payable. Additionally, Anthem may not exercise the option for 5% or more of the outstanding shares of Trigon Class A common stock without receiving BCBSA approval.

We do not know of any event that has occurred as of the date of this document that would allow Anthem to exercise this option. The aggregate value of the termination fees that could become due under the merger agreement and the profit realizable under the option are capped at approximately $189.2 million.

The option could have the effect of discouraging other companies from trying to acquire Trigon until the merger is completed.

The Trigon stock option agreement is attached to this document as Appendix B.

Treatment of Trigon Stock Options and Restricted Stock (page 87)

As a general matter, each outstanding Trigon stock option will become fully vested and exercisable upon approval of the merger agreement by Trigon shareholders, and in the merger each then-outstanding option will be converted into vested options to purchase Anthem common stock.

The number of shares of Anthem common stock underlying the new Anthem option will equal the number of shares of Trigon Class A common stock for which the corresponding Trigon option was exercisable, multiplied by the option exchange ratio. The per share exercise price of each new Anthem option will equal the exercise price of the corresponding Trigon option divided by the option exchange ratio. The option exchange ratio is equal to the sum of 1.062 plus a fraction, the numerator of which is $30.00 and the denominator of which is the closing trading price of Anthem common stock on the business day prior to the completion of the merger. All shares of Trigon restricted Class A common stock will also vest upon approval of the merger agreement by Trigon shareholders and will be treated in the merger like other shares of Trigon Class A common stock.

Trigon's Directors and Executive Officers Have Financial Interests in the Merger (page 68)

Trigon's directors and executive officers have interests in the merger as individuals in addition to, and that may be different from, their interests as Trigon shareholders. Each of the Anthem board of directors and the Trigon board of directors was aware of these interests of Trigon directors and executive officers and considered them in its decision to respectively approve or adopt the merger agreement.

These interests include:

- employment, executive severance and noncompetition agreements that Anthem and Trigon entered into with principal executive officers of Trigon;

- cash payments and other benefits that may be due to other Trigon executive officers under existing executive continuity agreements in the event of a termination of employment following the merger;

- acceleration and vesting of options and restricted stock upon approval of the

merger agreement by Trigon shareholders, although some executive officers have agreed to waive vesting of their stock options until completion of the merger; and

- the right to continued indemnification and insurance coverage by the surviving corporation for events occurring prior to or at the time of the merger.

In addition, three members of Trigon's board of directors will become members of Anthem's board of directors upon completion of the merger, and the Chairman and Chief Executive Officer of Trigon will become President of Anthem's Southeast Region, which will be headquartered in Richmond, Virginia.

Regulatory and Other Approvals We Must Obtain for the Merger (page 37)

The Virginia State Corporation Commission must approve the change of control of Trigon. To accomplish this, Anthem and Trigon filed a Form A "Application for Approval of Acquisition of Control of or Merger with a Domestic Insurer or Health Maintenance Organization" on May 31, 2002. The Virginia State Corporation Commission has scheduled a public hearing on the Form A application to begin July 10, 2002.

Additionally, the BCBSA must approve the transfer to Anthem of Trigon's license to use the BCBS names and marks in Trigon's geographical territory. Anthem and Trigon have submitted a joint application requesting that, in connection with completion of the merger, the BCBSA grant to Anthem the license for the Trigon territory.

Furthermore, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder, provide that the merger may not be completed until premerger notification filings have been made to the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice, and the specified waiting period thereunder has expired or is terminated. Even after the waiting period expires or is terminated, the Justice Department and the Federal Trade Commission will have the authority to challenge the merger on antitrust grounds before or after the merger is completed. Each of Anthem and Trigon filed a notification and report form for the merger with the Federal Trade Commission and the Justice Department on May 31, 2002.

Although we do not know of any reason why we cannot obtain these approvals in a timely manner, we cannot be certain when or if we will obtain them, or what conditions may be imposed by any governmental or other regulatory or licensing authority or licensing party as a condition to granting its approval.

The Rights of Trigon Shareholders will be Governed by Different Laws and New Governing Documents After the Merger (page 159)

Anthem is incorporated in Indiana; Trigon is incorporated in Virginia. Indiana and Virginia law differ, as do the rights of shareholders under the organizational documents of Anthem and Trigon. Accordingly, the rights of Trigon shareholders may change materially as a result of the completion of the merger and the Trigon shareholders becoming Anthem shareholders.

Listing of Anthem Common Stock (page 66)

The shares of Anthem common stock to be issued in connection with the merger will be listed on the New York Stock Exchange under the symbol "ATH."

Anthem Special Meeting (page 27)

Meeting. The Anthem special meeting will be held on July 23, 2002, at 10:00 a.m., local time, at the headquarters of Anthem, 120 Monument Circle, Indianapolis, Indiana. At the Anthem special meeting, Anthem shareholders will be asked:

1. To approve the issuance of shares of Anthem common stock in the merger; and

2. To act on such other matters as may be properly brought before the Anthem special meeting.

Record Date. Anthem shareholders may cast one vote at the Anthem special meeting for

each share of Anthem common stock that they owned at the close of business on June 6, 2002. On that date, there were 102,887,815 shares of Anthem common stock entitled to vote at the special meeting.

Required Vote. To approve the issuance of Anthem common stock in the merger, the total number of votes cast at the Anthem special meeting must represent over 50% of all Anthem common stock entitled to vote, and a majority of the shares voting at the Anthem special meeting must vote in favor of the issuance. Accordingly, an Anthem shareholder's failure to vote, a broker non-vote or an abstention will not constitute a vote for or against the approval of the issuance of Anthem common stock in the merger, but will reduce the aggregate number of shares voting at the Anthem special meeting and the number of shares of Anthem common stock required to approve the issuance of shares of Anthem common stock in the merger.

As of the Anthem record date, directors and executive officers of Anthem and their affiliates beneficially owned or had the right to vote 125,574 shares of Anthem common stock, or less than 1% of the outstanding Anthem common stock entitled to be voted at the special meeting. At that date, directors and executive officers of Trigon and their affiliates, including Trigon, beneficially owned or had the right to vote 9,000 shares of Anthem common stock entitled to be voted at the meeting, or less than 1% of the outstanding Anthem common stock. To Anthem's knowledge, directors and executive officers of Anthem and their affiliates intend to vote their Anthem common stock in favor of the issuance of Anthem common stock in the merger.

Trigon Special Meeting (page 31)

Meeting. The Trigon special meeting will be held on July 23, 2002, at 11:00 a.m., local time, at the headquarters of Trigon, 2015 Staples Mill Road, Richmond, Virginia. At the Trigon special meeting, Trigon shareholders will be asked:

1. To approve the merger agreement and the transactions contemplated by the merger agreement, including the merger; and

2. To act on such other matters as may be properly brought before the Trigon special meeting.

Record Date. Trigon shareholders may cast one vote at the Trigon special meeting for each share of Trigon Class A common stock they owned at the close of business on June 6, 2002. On that date, there were 36,282,335 shares of Trigon Class A common stock entitled to vote at the special meeting.

Required Vote. To approve the merger agreement, the holders of more than $66^2/_3$% of the outstanding shares of Trigon Class A common stock entitled to be voted must vote in favor of the approval of the merger agreement. Accordingly, a Trigon shareholder's failure to vote, a broker non-vote or an abstention will have the same effect as a vote against approval of the merger agreement.

As of the Trigon record date, directors and executive officers of Trigon and their affiliates beneficially owned or had the right to vote 1,347,085 shares of Trigon Class A common stock, or approximately 3.7% of the outstanding Trigon Class A common stock entitled to be voted at the special meeting. On that date, directors and executive officers of Anthem and their affiliates, including Anthem, beneficially owned or had the right to vote 100 shares of Trigon Class A common stock entitled to be voted at the meeting, or less than 1% of the outstanding Trigon Class A common stock. To Trigon's knowledge, directors and executive officers of Trigon and their affiliates intend to vote their Class A common stock in favor of the approval of the merger agreement.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF ANTHEM

The following table summarizes financial information for Anthem. Anthem prepared this information using its unaudited consolidated financial statements for the three-month periods ended March 31, 2002 and 2001 and its consolidated financial statements for each of the years in the five-year period ended December 31, 2001, which have been audited by Ernst & Young LLP. You should read this information with Anthem's unaudited and audited consolidated financial statements and notes, Anthem management's discussion and analysis of financial condition and results of operations and unaudited pro forma combined financial information. See "ANTHEM MANAGEMENT'S DISCUSSION AND ANALYSIS AND FINANCIAL STATEMENTS Audited Consolidated Financial Statements" on page F-34, "ANTHEM MANAGEMENT'S DISCUSSION AND ANALYSIS AND FINANCIAL STATEMENTS Unaudited Consolidated Financial Statements" on page F-65, "ANTHEM MANAGEMENT'S DISCUSSION AND ANALYSIS AND FINANCIAL STATEMENTS Management's Discussion and Analysis of Financial Condition and Results of Operations" on page F-2, and "UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION" on page 178. In Anthem's opinion, the selected financial data for the three-month periods ended March 31, 2002 and 2001 include all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of that data. The selected consolidated financial data do not necessarily indicate the results to be expected in the future.

	As of and for the Three Months Ended March 31		As of and for the Year Ended December 31				
	2002	2001	2001	2000[1]	1999[1, 2]	1998	1997

	As of and for the Three Months Ended March 31 (unaudited)		As of and for the Year Ended December 31				
			($ in Millions, Except Per Share Data)				
Income Statement Data							
Total operating revenue	$ 2,748.6	$ 2,493.4	$ 10,120.3	$ 8,543.5	$ 6,080.6	$ 5,389.7	$ 5,110.0
Total revenues	2,812.4	2,560.5	10,444.7	8,771.0	6,270.1	5,682.4	5,332.2
Income from continuing operations	99.8	70.6	342.2	226.0	50.9	178.4	79.1
Net income (loss)	99.8	70.6	342.2	226.0	44.9	172.4	(159.0)
Per Share Data[3]							
Basic income from continuing operations	$ 0.97	$ 0.68	$ 3.31	$ 2.19	$ 0.49	$ 1.73	$ 0.77
Diluted income from continuing operations	0.95	0.68	3.30	2.18	0.49	1.72	0.76
Other Data (unaudited)[4]							
Operating revenue and premium equivalents[5]	$ 3,793.2	$ 3,390.1	$ 14,057.4	$ 11,800.1	$ 8,691.6	$ 7,987.4	$ 7,269.3
Operating gain (loss)	106.6	59.9	319.5	184.1	28.5	35.4	(82.2)
Benefit expense ratio	84.5%	85.2%	84.5%	84.7%	84.6%	83.0%	83.7%
Administrative expense ratio:							
Calculated using operating revenue	18.4%	20.0%	19.6%	21.2%	24.2%	26.3%	26.6%
Calculated using operating revenue and premium equivalents	13.3%	14.7%	14.1%	15.3%	16.9%	17.8%	18.7%
Operating margin	3.9%	2.4%	3.2%	2.2%	0.5%	0.7%	(1.6)%
Members (000s)[6]							
Midwest	5,070	4,760	4,854	4,454	4,253	4,046	4,345
East	2,292	2,186	2,260	2,093	1,397	968	916
West	809	662	769	595	486		
Total	8,171	7,608	7,883	7,142	6,136	5,014	5,261
Balance Sheet Data							
Total assets	$ 6,403.0	$ 5,896.3	$ 6,276.6	$ 5,708.5	$ 4,816.2	$ 4,359.2	$ 4,131.9
Long term debt	818.7	597.4	818.0	597.5	522.0	301.9	305.7
Total shareholders' equity[7]	2,126.0	1,980.9	2,060.0	1,919.8	1,660.9	1,702.5	1,524.7

(See footnotes on following page.)

1 The net assets and results of operations for BCBS-NH, BCBS-CO/NV and BCBS-ME are included from their respective acquisition dates of October 27, 1999, November 16, 1999 and June 5, 2000.

2 The 1999 operating gain includes a non-recurring charge of $41.9 million related to the settlement agreement with the Office of Inspector General, or OIG. Net income for 1999 includes contributions totaling $114.1 million ($71.8 million, net of tax) to non-profit foundations in the states of Kentucky, Ohio and Connecticut to settle charitable asset claims.

3 There were no shares or dilutive securities outstanding prior to November 2, 2001 (date of demutualization and initial public offering). Accordingly, amounts prior to 2002 represent pro forma earnings per share. For comparative pro forma earnings per share presentation, the weighted average shares outstanding and the effect of dilutive securities for the period from November 2, 2001 to December 31, 2001 was used to calculate pro forma earnings per share for all periods prior to 2002.

4 Operating gain (loss) consists of operating revenue less benefit and administrative expenses. The benefit expense ratio represents benefit expense as a percentage of premium revenue. The administrative expense ratio represents administrative expense as a percentage of operating revenue and has also been presented as a percentage of operating revenue and premium equivalents. Operating margin represents operating gain (loss) as a percentage of operating revenue.

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Operating revenue and premium equivalents is a measure of the volume of business serviced by Anthem that is commonly used in the health benefits industry to allow for a comparison of operating efficiency among companies. It is calculated by adding to premiums, administrative fees and other revenue the amount of claims attributable to non-Medicare, self-funded health business where Anthem provides a complete array of customer service, claims administration and billing and enrollment services. The self-funded claims included for the three months ended March 31, 2002 and 2001 were $1,044.6 and $896.7, respectively, and for the years ended December 31, 2001, 2000, 1999, 1998 and 1997 were $3,937.1, $3,256.6, $2,611.0, $2,597.7 and $2,159.3, respectively.

6

Excludes TRICARE members of 419,000 at March 31, 2001 and 128,000, 129,000 and 153,000 at December 31, 2000, 1999, and 1998, respectively. The TRICARE operations were sold on May 31, 2001.

7

Represents policyholders' surplus prior to November 2, 2001.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF TRIGON

The following table summarizes financial information for Trigon. Trigon prepared this information using its unaudited consolidated financial statements for the three-month periods ended March 31, 2002 and 2001 and its consolidated financial statements for each of the years in the five-year period ended December 31, 2001, which have been audited by KPMG LLP. You should read this information in conjunction with Trigon's unaudited and audited consolidated financial statements and notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Trigon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 and Annual Report on Form 10-K for the year ended December 31, 2001, each of which are incorporated herein by reference. See "WHERE YOU CAN FIND MORE INFORMATION" on page 186. In Trigon's opinion, the selected financial data for the three-month periods ended March 31, 2002 and 2001 include all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of that data. The selected consolidated financial data do not necessarily indicate the results to be expected in the future.

	As of and for the Three Months Ended March 31		As of and for the Year Ended December 31				
	2002	2001	2001	2000	1999	1998	1997
	(unaudited)						
	($ in Millions, Except Per Share Data)						
Statement of Operations Data							
Revenues							
Premium and fee revenues	$ 805.5	$ 700.4	$ 2,906.0	$ 2,500.5	$ 2,247.0	$ 2,049.4	$ 1,909.4
Investment income, net realized gains (losses) and other revenues	20.2	27.7	69.0	111.1	99.4	187.0	153.1
Total revenues	825.7	728.1	2,975.0	2,611.6	2,346.4	2,236.4	2,062.5
Net income	35.2	32.4	116.1	112.0	20.5	123.6	95.1

Q: What do I need to do now?

A: We urge you to read this proxy statement/prospectus carefully, including its annexes, and to consider how the merger affects you. You may provide your proxy instructions by mailing your signed proxy card in the enclosed return envelope. Please provide your proxy instructions only once and as soon as possible so that your shares can be voted at the special meeting of Limelight stockholders or special meeting of EyeWonder stockholders, as applicable.

Q: What happens if I do not return a proxy card or otherwise provide proxy instructions?

A: If you are a Limelight stockholder, the failure to return your proxy card or otherwise provide proxy instructions could be a factor in establishing a quorum for the special meeting of Limelight stockholders, which is required to transact business at the meeting. The failure to return your proxy card or otherwise provide proxy instructions will have no effect on the proposal to approve the issuance of common stock in the transaction and the adjournment proposal, provided there is a quorum for the special meeting.

If you are an EyeWonder stockholder, the failure to return your proxy card or otherwise provide proxy instructions could be a factor in establishing a quorum for the special meeting of EyeWonder stockholders, which is required to transact business at the meeting. The failure to return your proxy card or otherwise provide proxy instructions, or abstaining from voting, will have the same effect as voting against the adoption of the merger agreement. If you are a holder of EyeWonder Series A preferred stock, the failure to return your proxy card or otherwise provide proxy instructions, or abstaining from voting, will have the same effect as voting against the Series A preferred stock conversion proposal. If you are a holder of EyeWonder Series B preferred stock, the failure to return your proxy card or otherwise provide proxy instructions, or abstaining from voting, will have the same effect as voting against the Series B preferred stock conversion proposal. The failure to return your proxy card or otherwise provide proxy instructions will have no effect on the adjournment proposal, provided there is a quorum for the special meeting.

Q: Who is paying for this proxy solicitation?

A: Limelight and EyeWonder are conducting this proxy solicitation and will bear the cost of soliciting proxies, including the preparation, assembly, printing and mailing of this proxy statement/prospectus, the proxy card

and any additional information furnished to stockholders. In addition to solicitation of proxies by mail, Limelight will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of Limelight common stock and secure their voting instructions. Limelight will reimburse the record holders for their reasonable expenses in taking those actions. In addition to soliciting proxies by mail, Limelight may use its directors, officers and employees to solicit proxies from Limelight stockholders, either in person or by telephone, letter, or other electronic means. None of these individuals will receive any special compensation for doing this, although we will reimburse these individuals for their reasonable out-of-pocket expenses. In addition to solicitation of proxies by mail, EyeWonder may use its directors, officers and employees to solicit proxies from EyeWonder stockholders, either in person or by telephone, letter, or other electronic means. None of these individuals will receive special compensation for doing this.

Q: Whom should I call with questions?

A: If you are a Limelight stockholder and need any assistance in completing your proxy card or have questions regarding the special meeting, you may call Paul Alfieri, Investor Relations, at (917) 297-4241.

If you are an EyeWonder stockholder and need any assistance in completing your proxy card or have questions regarding the special meeting, you may call Jerome F. Connell, Jr., General Counsel and Chief Operating Officer, at (678) 891-2041.

SUMMARY

This summary highlights material information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire proxy statement/prospectus and the other documents to which we refer to fully understand the merger and the related transactions. See Where You Can Find More Information on page 164. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

Market Price and Dividend Data (page 153)

Limelight s common stock has traded on the Nasdaq Global Market under the symbol LLNW since Limelight s initial public offering on June 7, 2007. There is currently no public market for EyeWonder s common stock. On December 18, 2009, the last full trading day prior to the public announcement of the proposed merger, the closing sale price of Limelight common stock was $3.79 per share. On April 1, 2010, the last full trading day prior to the printing of this proxy statement/prospectus, the closing sale price of Limelight common stock was at $3.63 per share.

The market price of Limelight common stock will fluctuate prior to and after the closing of the first-step merger. You should obtain current market quotations for the shares.

Risks Relating to the Merger (page 26)

In evaluating the merger agreement or the issuance of shares of Limelight common stock in the merger, you should carefully read this proxy statement/prospectus and especially consider the factors discussed in the section entitled Risks Factors Risks Relating to the Merger on page 26, as well as the additional risk factors discussed in the section entitled Risk Factors that relate to Limelight or EyeWonder, respectively.

Information About the Companies

Limelight Networks, Inc. (*page 59*). Limelight Networks, Inc. was established in June 2001 as a limited liability company and converted into a Delaware corporation in August 2003. Limelight is a provider of high- performance content delivery network services. Limelight delivers content for traditional and emerging media companies, or content providers, including businesses operating in the television, music, radio, newspaper, magazine, movie, videogame, software and social media industries as well as enterprises and government entities doing business online. The principal executive offices of Limelight are located at 2220 W. 14th Street, Tempe, AZ 85281, and its telephone number is (602) 850-5000.

Elvis Merger Sub One Corporation (*page 59*). Elvis Merger Sub One Corporation, a wholly owned subsidiary of Limelight, was formed solely for the purpose of completing the merger and is incorporated in Delaware. The principal executive offices of Elvis Merger Sub One Corporation are located at 2220 W. 14th Street, Tempe, AZ 85281, and its telephone number is (602) 850-5000.

Elvis Merger Sub Two LLC (*page 59*). Elvis Merger Sub Two LLC, a wholly owned subsidiary of Limelight, was formed solely for the purpose of completing the merger and is incorporated in Delaware. The principal executive offices of Elvis Merger Sub Two LLC are located at 2220 W. 14th Street, Tempe, AZ 85281, and its telephone number is (602) 850-5000.

EyeWonder, Inc. (*page 59*). EyeWonder, Inc., a Delaware corporation, was incorporated in December 1999. EyeWonder is a provider of interactive digital advertising products and services. EyeWonder creates and executes high-impact online video and rich media advertising campaigns and provides advertisers, advertising

agencies and content publishers the ability to create, build, deliver, track and optimize interactive advertising campaigns. The principal executive offices of EyeWonder are located at 229 Peachtree Street NE, International Tower Suite 1700, Atlanta, GA 30303, and its telephone number is (678) 891-2020.

The Limelight Special Meeting (page 62)

The special meeting of Limelight stockholders will be held on April 30, 2010 at 9:00 a.m., local time, at the Sheraton Phoenix Airport Hotel Tempe, located at 1600 South 52nd Street, Tempe, AZ 85281. At the special meeting, Limelight stockholders will be asked to:

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;

Approve the adjournment or postponement of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement; and

To transact such other business as may properly come before the Limelight special meeting or adjournments or postponements of the Limelight special meeting.

Only holders of record at the close of business on March 31, 2010 will be entitled to vote at the special meeting. Each share of Limelight common stock is entitled to vote. As of the record date, 85,227,561 shares of Limelight common stock were outstanding, held by approximately 57 registered holders.

Approval of the issuance of Limelight common stock to EyeWonder securityholders in the merger 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. Because approval of this proposal requires the affirmative vote of a majority of shares entitled to vote on the subject matter present in person or represented by proxy, abstentions will have the same effect as a vote against this proposal. However, the failure to vote, either by proxy or in person, and broker non-votes, will have no effect on the proposal.

Approval of the adjournment proposal 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 special meeting. Because approval of this proposal requires the affirmative vote of a majority of the shares entitled to vote on the subject matter and present in person or represented by proxy at the special meeting, abstentions will have the same effect as a vote against this proposal. However, the failure to vote, either by proxy or in person, and broker non-votes, will have no effect on the adjournment proposal.

As of the record date, directors and executive officers of Limelight, and their affiliates, had the right to vote approximately 44,980,075 shares of Limelight common stock, or approximately 52.78% of the outstanding Limelight common stock at that date. Limelight currently expects that each of these individuals will vote their shares of Limelight common stock in favor of the proposals to be presented at the special meeting.

The EyeWonder Special Meeting (page 66)

The special meeting of EyeWonder stockholders will be held on April 28, 2010 at 9:00 a.m., local time, at 229 Peachtree Street NE, International Tower, Suite 1700, Atlanta, Georgia 30303. At the special meeting, EyeWonder stockholders will be asked 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;

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- 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;

- 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;

- 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 adopt the merger agreement; and

- To transact such other business as may properly come before the EyeWonder special meeting or adjournments or postponements of the EyeWonder special meeting.

Only holders of record at the close of business on March 31, 2010 will be entitled to vote at the special meeting. Each outstanding share of EyeWonder capital stock is entitled to vote. As of the record date, (i) 15,704,602 shares of EyeWonder common stock were outstanding and entitled to vote, (ii) 870,000 shares of EyeWonder Series A preferred stock were outstanding and entitled to vote, and (iii) 5,219,305 shares of EyeWonder Series B preferred stock were outstanding and entitled to vote. Each share of EyeWonder common stock is entitled to one vote at the special meeting, each share of Series A preferred stock is entitled to one vote for each share of common stock (including fractions) into which such Series A preferred stock is convertible at the special meeting and each share of Series B preferred stock is entitled to one vote for each share of common stock (including fractions) into which such Series B preferred stock is convertible at the special meeting.

Approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of EyeWonder common stock and preferred stock entitled to vote at the special meeting (voting together as a single class). Because approval of the merger proposal is based on the affirmative vote of a majority of shares outstanding, an EyeWonder stockholder s failure to vote or abstention will have the same effect as a vote against the merger proposal.

Approval of the proposal to convert the outstanding shares of EyeWonder Series A preferred stock into EyeWonder common stock requires the affirmative vote of the holders of at least a majority of the outstanding shares of EyeWonder Series A preferred stock. Because approval of this proposal is based on the affirmative vote of a majority of the outstanding shares of EyeWonder Series A preferred stock, the failure of an EyeWonder Series A preferred stockholder to vote or an EyeWonder Series A preferred stockholder s abstention will have the same effect as a vote against the proposal. However, the failure of an EyeWonder common stockholder or Series B preferred stockholder to vote, or an EyeWonder common stockholder s or Series B preferred stockholder s abstention, will have no effect on this proposal.

Approval of the proposal to convert the outstanding shares of EyeWonder Series B preferred stock into EyeWonder common stock requires the affirmative vote of the holders of at least a majority of the outstanding shares of EyeWonder Series B preferred stock. Because approval of this proposal is based on the affirmative vote of a majority of the outstanding shares of EyeWonder Series B preferred stock, the failure of an EyeWonder Series B preferred stockholder to vote or an EyeWonder Series B preferred stockholder s abstention will have the same effect as a vote against the proposal. However, the failure of an EyeWonder common stockholder or Series A preferred stockholder to vote, or an EyeWonder common stockholder s or Series A preferred stockholder s abstention, will have no effect on this proposal.

Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of EyeWonder common and preferred stock entitled to vote at the special meeting and present in person or

represented by proxy. Because approval of this proposal requires the affirmative vote of a majority of the outstanding shares of EyeWonder common and preferred stock present in person or by proxy and entitled to vote at the special meeting, abstentions will have the same effect as a vote against this proposal. However, the failure to vote, either by proxy or in person, will have no effect on the adjournment proposal.

As of the record date, directors and executive officers of EyeWonder, and their affiliates, had the right to vote 10,760,206 shares of EyeWonder s common stock and preferred stock, on an as-converted basis, or 49.37% of the outstanding EyeWonder common stock and preferred stock, on an as-converted basis, at that date. EyeWonder currently expects that each of these individuals will vote their shares of EyeWonder common stock and preferred stock, if any, in favor of the proposals to be presented at the special meeting.

Recommendations to Stockholders

To Limelight Stockholders (*Page 64*). The Limelight board of directors has unanimously determined and believes that the issuance of shares of Limelight common stock in the first merger is advisable to, and in the best interests of, Limelight and its stockholders. The Limelight board of directors unanimously recommends that the holders of Limelight common stock vote FOR Proposal No. 1 to approve the issuance of shares of Limelight common stock in the merger, and FOR Proposal No. 2 to adjourn 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.

To EyeWonder Stockholders (*Page 69*). The EyeWonder board of directors has unanimously determined and believes that the merger is advisable and fair to, and in the best interests of, EyeWonder and its stockholders. The EyeWonder board of directors unanimously recommends that the holders of EyeWonder stock vote FOR Proposal No. 1 to adopt the merger agreement, FOR Proposal No. 2 to convert the Series A preferred stock into common stock and FOR Proposal No. 3 to convert the Series B preferred stock into common stock. The EyeWonder board of directors also recommends that EyeWonder stockholders vote FOR Proposal No. 4 to adjourn the EyeWonder 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.

General Description of the Merger (page 71)

The merger agreement contemplates that Elvis Merger Sub One Corporation, 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 Elvis Merger Sub Two LLC, a second direct, wholly owned subsidiary of Limelight, with such subsidiary continuing as the final surviving entity. 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.

Reasons for the Merger (page 74)

The principal factors and risks considered by the Limelight board of directors in reaching its conclusion to approve the merger and to recommend that the Limelight stockholders approve the issuance of shares of Limelight common stock in the first merger, and the principal factors and risks considered by the EyeWonder board of directors in reaching its conclusion to approve the merger and to recommend that the EyeWonder stockholders adopt the merger agreement are discussed, respectively, in the sections entitled Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Reasons for the Merger Limelight s Reasons for the Merger on page 74 and Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Reasons for the Merger EyeWonder s Reasons for the Merger on page 76.

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Opinion of Limelight s Financial Advisor (page 80)

In connection with the merger, Jefferies & Company, Inc., or Jefferies, Limelight s financial advisor, delivered to the Limelight board of directors a written opinion, dated December 18, 2009, as to the fairness, from a financial point of view and as of the date of the opinion, of the consideration (as defined in the opinion) to be paid by Limelight pursuant to the merger agreement. The full text of the written opinion, dated December 18, 2009, of Jefferies, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex F to this proxy statement/prospectus and is incorporated by reference in its entirety into this proxy statement/prospectus. Holders of Limelight common stock are encouraged to read the opinion carefully in its entirety. **Jefferies provided its opinion to the Limelight board of directors for the benefit and use of the Limelight board of directors in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. Jefferies opinion does not address any other aspect of the merger and does not constitute a recommendation to any stockholder, or any other person, including any stockholder of EyeWonder, as to how to vote or act in connection with the proposed mergers or any matter related thereto**.

Interests of Limelight s Executive Officers and Directors in the Merger (page 86)

On February 8, 2010, the Compensation Committee of Limelight s Board of Directors granted Jeffrey W. Lunsford, Limelight s President, Chief Executive Officer and Chairman, 300,000 restricted stock units that become eligible for vesting based on certain financial performance criteria of the EyeWonder business unit for the calendar year ending December 31, 2010. For more information, please see Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Interests of Limelight s Executive Officers and Directors in the Merger on page 86.

Interests of EyeWonder s Executive Officers and Directors in the Merger (page 87)

EyeWonder s executive officers and directors have interests in the merger that are different from those of other EyeWonder stockholders. As described below, certain executive officers and directors of EyeWonder will be entitled to additional benefits as a result of the completion of the merger or upon certain events following the completion of the merger. As of the record date, all directors and executive officers of EyeWonder, together with their affiliates, beneficially owned approximately 49.83% of the outstanding shares of EyeWonder common stock.

Each of John J. Vincent, Jerome F. Connell, Jr., Patrick McClellen and Michael Rosner are party to employment agreements with EyeWonder that provide for severance benefits in the event their employment is terminated by their employer for any reason other than cause (as such term is defined in the respective employment agreement), or if their employment terminates due to disability (as such term is defined in the respective employment agreement). In addition, following the merger, Mr. Vincent, the current Chief Executive Officer and Chairman of EyeWonder, will be the Chief Executive Officer of the surviving entity, which will operate as a wholly owned subsidiary of Limelight. Limelight anticipates that Thomas Falk, a current member of EyeWonder s board of directors, will provide ongoing consulting services to Limelight following the merger including providing assistance in integration efforts and recruiting. Effective upon the closing of the merger, Mr. Vincent has entered into an employment agreement with Limelight to serve as Chief Executive Officer of the surviving entity, Mr. Falk and Limelight intend to enter into a consulting agreement, and certain other officers may also enter into offer letters or employment agreements for employment with Limelight. Two individuals from the current EyeWonder board of directors, Mr. Vincent and Mr. Falk, will also be appointed to the Limelight board of directors. Limelight has also agreed to, and agreed to cause the surviving entity in the merger to, indemnify and hold harmless each present and former officer, director and employee of EyeWonder and its subsidiaries, or any individual who was serving at the request of EyeWonder as an officer, director or employee of another enterprise, from liability for matters arising in their capacities as such at or prior to the completion of the merger to the fullest extent provided by EyeWonder s certificate of incorporation and bylaws. Limelight has

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agreed that, for six (6) years after completion of the merger, Limelight and the surviving entity will cause to be maintained the existing policy of EyeWonder s directors and officers liability insurance covering claims that occurred at or prior to completion of the merger.

In addition, following the merger, Limelight will (i) allocate and grant, in its sole discretion after consultation with Mr. Vincent, options to acquire 1,000,000 shares of Limelight common stock among the employees of EyeWonder who continue as employees of the surviving entity, (ii) establish an employee retention plan for continuing employees and (iii) issue 1,000,000 restricted stock units to the continuing employees subject to forfeiture for failure to satisfy certain performance metrics. Limelight will also either continue (or cause the surviving entity to continue) to maintain the EyeWonder employee benefit plans or arrange for each participant in the EyeWonder employee benefit plans to participate in substantially similar plans or arrangements of Limelight (or its applicable subsidiary), or, a combination of the foregoing so that participants will have benefits substantially similar in the aggregate to benefits provided to similarly situated employees of Limelight and at least equivalent to the benefits provided by EyeWonder immediately prior to the merger. In addition, except as may be required by law, for a period of one (1) year following the merger, continuing employees will receive base and salary compensation (excluding any equity based compensation) that is no less than the compensation received by such employees immediately prior to the merger. For more information, please see Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Interests of EyeWonder s Executive Officers and Directors in the Merger on page 87.

Appraisal Rights (page 89)

Under the Delaware General Corporation Law, referred to as the DGCL, holders of EyeWonder capital stock who do not vote for the approval of the merger proposal have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they comply with all requirements of Delaware law, which are summarized in this proxy statement/prospectus in the section entitled Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Appraisal Rights on page 89. This appraisal amount could be more than, the same as, or less than the amount an EyeWonder stockholder would be entitled to receive under the merger agreement. Any holder of EyeWonder capital stock intending to exercise appraisal rights, among other things, must submit a written demand for appraisal to EyeWonder prior to the vote on the approval of the merger proposal and must not vote or otherwise submit a proxy in favor of approval of the merger proposal. Failure to follow exactly the procedures specified under Delaware law will result in the loss of appraisal rights. Because of the complexity of the Delaware law relating to appraisal rights, if you are considering exercising your appraisal right, EyeWonder encourages you to seek the advice of your own legal counsel.

A copy of Section 262 of the DGCL is also included as Annex E to this proxy statement/prospectus.

Regulatory Approvals Required for the Merger (page 92)

Limelight and EyeWonder have agreed to use commercially reasonable efforts to obtain as promptly as practicable all regulatory approvals that are required to complete the transactions contemplated in the merger agreement. This includes filing all required notices to governmental authorities, including the required filings with the U.S. Department of Justice, or DOJ, and the Federal Trade Commission, or FTC, pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, referred to herein as the HSR Act. Limelight and EyeWonder filed necessary notices with the DOJ and the FTC in accordance with the HSR Act on January 25, 2010. On January 29, 2010, the Premerger Notification Office of the FTC informed the parties that early termination of the statutory waiting period had been granted.

Limelight must also comply with applicable federal and state securities laws and the rules and regulations of The Nasdaq Stock Market, Inc. in connection with the issuance of shares of Limelight common stock in the merger and the filing of this proxy statement/prospectus with the SEC.

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Restrictions on Resales (page 92)

The shares of Limelight common stock to be issued to EyeWonder securityholders in the merger will be registered under the Securities Act of 1933 and, except as described below, may be freely traded without restriction. Pursuant to the merger agreement, certain principal stockholders of EyeWonder have entered into a restriction agreement with Limelight and may only dispose of their shares of Limelight common stock acquired in the merger in accordance with the terms of the restriction agreement. Generally, the restrictions lapse ratably over a twelve month period after the closing of the merger, subject to certain exceptions.

The Merger Agreement

Merger Consideration (page 93). Under the terms of the merger agreement, the holders of shares of EyeWonder capital stock outstanding at the completion of the merger will receive, in the aggregate, $62 million in cash, subject to certain adjustments, and 12,740,000 shares of Limelight common stock. The amount of cash and stock payable to the EyeWonder 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 there being 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 estimates that the $62 million cash portion of the aggregate merger consideration will be adjusted upward by a total of approximately $775,000, which consists of $275,000, the estimated amount of EyeWonder s cash and cash equivalents as of the closing, and $500,000, the estimated amount by which EyeWonder s working capital will exceed $8.3 million at closing. EyeWonder estimates that the cash portion of the aggregate merger consideration will be adjusted downward by a total of approximately $12.4075 million, which consists of $12.3075 million, the estimated amount of EyeWonder s debt outstanding as of the closing, and $100,000, the estimated amount of EyeWonder s transaction costs not paid prior to closing, resulting in a net downward adjustment to the $62 million cash portion of the aggregate merger consideration of $11.6325 million. These amounts are estimates only and are subject to change under certain circumstances as described above and as 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. The following table shows how the amount of cash payable at closing could vary if the actual adjustments are 10% higher or 10% lower than our current estimates.

	Estimated Cash Adjustments		
	10% Lower	**As Estimated**	**10% Higher**
Initial cash consideration	$ 62,000,000	$ 62,000,000	$ 62,000,000
Adjustments to cash consideration	$ 10,469,250	$ 11,632,500	$ 12,795,750
Aggregate cash payable to EyeWonder securityholders	$ 51,530,750	$ 50,367,500	$ 49,204,250
Cash payable per share of EyeWonder stock	$ 2.1577	$ 2.1090	$ 2.0603

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. We currently estimate that 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 securityholders will receive approximately 0.4073 shares of Limelight common stock for each share of EyeWonder common stock they hold upon completion of the merger. The following table shows the estimated number of shares of Limelight common stock that will be issuable to the EyeWonder securityholders for each share of EyeWonder common stock held at the completion of the merger:

	Estimated Stock Consideration
Initial stock consideration	0.5335
Escrow adjustment to stock consideration	0.1262
Stock consideration issuable per share of EyeWonder stock	0.4073

EyeWonder does not anticipate that any indemnification claims would be made against the escrowed shares, but it is not possible to predict with any certainty whether any such claims will be made. If Limelight common stock is used to satisfy indemnification claims, the merger agreement provides for such shares to be valued at the fixed value of $3.75 per share. The following table shows, for illustration purposes only, how many shares of Limelight common stock would be issuable to the EyeWonder securityholders at the end of the escrow period if there are no such claims made, and if claims in the amount of $2.5 million, $5.0 million and $7.5 million are made:

	Value of Indemnification Claims			
	no claims	$ 2,500,000	$ 5,000,000	$ 7,500,000
Limelight common stock placed in escrow	3,013,699	3,013,699	3,013,699	3,013,699
Stock used to satisfy indemnification claims		666,667	1,333,333	2,000,000
Aggregate stock released from escrow	3,013,699	2,347,032	1,680,366	1,013,699
Stock released per share of EyeWonder stock	0.1262	0.0983	0.0704	0.0424

EyeWonder securityholders may also 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. Of these shares, a maximum of 2,000,000 shares, or 0.0837 shares of Limelight common stock per share of EyeWonder stock outstanding, will be issuable based on EyeWonder s revenues for calendar year 2010, provided that such revenues are at least $49,500,000. A maximum of 2,000,000 shares, or 0.0837 shares of Limelight common stock per share of EyeWonder stock outstanding, will be issuable based on EyeWonder s EBITDA for calendar year 2010, provided that such EBITDA are at least $12,600,000. The following table shows, for illustration purposes only, how many shares of Limelight common stock would be issuable to the EyeWonder securityholders based on certain assumed levels of such revenues and EBITDA:

	EyeWonder 2010 Revenues			EyeWonder 2010 EBITDA		
	$50.0 million	$52.5 million	$55 million	$13.0 million	$13.5 million	$14 million
Aggregate Revenue Shares	181,818	1,090,909	2,000,000			
Aggregate EBITDA Shares				571,429	1,285,714	2,000,000
Total Earnout shares	181,818	1,090,909	2,000,000	571,429	1,285,714	2,000,000
Earnout shares per share of EyeWonder stock	0.0076	0.0457	0.0837	0.0239	0.0538	0.0837

The remaining 774,000 shares of Limelight common stock and $292,000 of cash, or 0.0324 shares and $0.01 per share of EyeWonder stock outstanding, will be payable to the EyeWonder securityholders if the German company recently acquired by Limelight fails to achieve its financial milestones. Otherwise, such shares and cash will be paid to the former owners of that German company.

Treatment of EyeWonder Stock Options and Warrants (page 95). 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 or otherwise replaced 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 exercise price of such EyeWonder warrant and less the pro rata portion of the escrow amount attributable to such shares of EyeWonder stock.

Fractional Shares (page 94). Limelight will not issue any fractional shares of common stock in connection with the merger. Instead, each holder of EyeWonder capital stock who would otherwise be entitled to receive a fraction of a share of Limelight common stock will be entitled to receive cash without interest, in an amount equal to such fraction of a share of Limelight common stock on the trading day that is two (2) trading days immediately prior to the date the first-step merger is completed.

Limitation on the Solicitation, Negotiation and Discussion of Other Acquisition Proposals by EyeWonder (page 104). EyeWonder has agreed to a number of limitations with respect to soliciting, negotiating and discussing acquisition proposals involving persons other than Limelight, and to certain related matters.

Conditions to Complete the Merger (page 108). Completion of the merger is subject to obtaining the requisite votes of the Limelight and EyeWonder stockholders, and is subject to other customary closing conditions.

Termination of the Merger Agreement (page 111). Either Limelight or EyeWonder may terminate the merger agreement under certain circumstances, which would prevent the merger from being completed. In addition, EyeWonder may be required under certain circumstances to pay Limelight, and Limelight may be required under certain circumstances to pay EyeWonder, a termination fee of $3.5 million.

Escrow; Indemnification (page 110). Upon the completion of the merger, Limelight will deduct an amount of cash and Limelight common stock with an aggregate value of approximately $11,000,000 from the total merger consideration to be held in escrow for a certain period of time as security for indemnification claims under the merger agreement.

Voting Agreements (page 115)

As an inducement for Limelight to enter into the merger agreement, certain stockholders of EyeWonder entered into voting agreements covering the EyeWonder capital stock held by such stockholders with and in favor of Limelight dated as of December 21, 2009. Pursuant to the EyeWonder voting agreements, each such stockholder agreed, among other things, to vote all of such stockholder s EyeWonder capital stock in favor of the adoption of the merger agreement and the transactions contemplated by the merger agreement and against any proposal that would compete with the merger agreement and the transactions contemplated by the merger agreement. The EyeWonder voting agreements terminate upon any termination of the merger agreement in accordance with its terms. The form of EyeWonder Voting Agreement is included as Annex B to this proxy statement/prospectus.

As an inducement for EyeWonder to enter into the merger agreement, certain stockholders of Limelight entered into voting agreements covering the Limelight capital stock held by such stockholders with and in favor of EyeWonder dated as of December 21, 2009. Pursuant to the Limelight voting agreements, each such

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stockholder agreed, among other things, to vote all of such stockholder s Limelight capital stock in favor of the issuance of Limelight common stock in the transactions contemplated by the merger agreement and against any proposal that would compete with the issuance of Limelight common stock in the transactions contemplated by the merger agreement. The Limelight voting agreements terminate upon any termination of the merger agreement in accordance with its terms. The form of Limelight Voting Agreement is included as Annex C to this proxy statement/prospectus.

Stock Purchase Agreements (page 117)

As an inducement for Limelight to enter into the merger agreement, certain stockholders of EyeWonder entered into stock purchase agreements with and in favor of Limelight dated as of December 21, 2009. Pursuant to the EyeWonder stock purchase agreements, each such stockholder agreed, among other things, to sell the EyeWonder securities beneficially held by such stockholder to Limelight under certain specified circumstances. The form of EyeWonder Stock Purchase Agreement is included as Annex D to this proxy statement/prospectus.

Accounting Treatment (page 139)

The merger will be accounted for as a purchase transaction by Limelight for financial reporting and accounting purposes under U.S. generally accepted accounting principles. The results of operations of EyeWonder will be included in the consolidated financial statements of Limelight following the completion of the merger.

Material U.S. Federal Income Tax Consequences of the Merger (page 140)

Limelight and EyeWonder each expect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. If the merger so qualifies as a reorganization, a U.S. holder of EyeWonder common stock receiving Limelight common stock and cash in exchange for EyeWonder common stock in the merger generally will recognize gain equal to the lesser of (i) the amount of cash received by the U.S. holder (excluding any cash received in lieu of fractional shares) and (ii) the excess of the amount realized by the U.S. holder over the U.S. holder s tax basis in the EyeWonder common stock. The amount realized by the U.S. holder will equal the sum of the fair market value of the Limelight common stock and the amount of cash (including any cash received in lieu of fractional shares) received by the U.S. holder. Losses will not be permitted to be recognized. Realized gain or loss must be calculated separately for each identifiable block of shares (i.e., shares acquired at different times and prices) exchanged in the merger, and a loss realized on the exchange of one block cannot be used to offset a gain recognized on the exchange of another block.

Tax consequences of the merger are complex and depend on the facts of your individual situation. You should read the section entitled Material U.S. Federal Income Tax Consequences of the Merger beginning on page 140. Because individual circumstances may differ, you are urged to consult with your own tax advisor as to the tax consequences of the merger.

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SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA

How We Prepared the Financial Statements

The following information is provided to aid you in your analysis of the financial aspects of the proposed acquisition by Limelight of EyeWonder. The information of Limelight was derived from the audited financial statements of Limelight for the years 2005 through 2009. The information of EyeWonder was derived from the audited financial statements of EyeWonder for the years 2005 through 2009. The information is only a summary and you should read it together with Limelight s historical consolidated financial statements and related notes contained in its periodic reports and other information that Limelight has filed with the Securities and Exchange Commission, or the SEC, and the EyeWonder historical consolidated financial statements included in this proxy statement/prospectus. See Where You Can Find More Information on page 164.

Pro Forma Data

The unaudited pro forma combined consolidated condensed financial information is presented to give you a better picture of what Limelight s and EyeWonder s businesses might have looked like had they been combined on the dates indicated. The unaudited pro forma combined consolidated condensed statement of operations gives effect to the merger as if it had occurred on January 1, 2009. The unaudited pro forma combined consolidated condensed balance sheet gives effect to the merger as if it had occurred on December 31, 2009. You should not rely on the unaudited pro forma combined consolidated condensed financial information as being indicative of the historical results that we would have had or the future results that we will experience after the merger. See Selected Unaudited Pro Forma Combined Consolidated Condensed Financial Data on page 22.

Merger-Related Expenses

Limelight estimates that its merger-related fees and expenses, consisting primarily of fees and expenses of investment bankers, attorneys and accountants, and financial printing and other related charges, will be approximately $2.1 million. See Note 6 of unaudited pro forma combined consolidated condensed financial statements.

EyeWonder estimates that its merger-related fees and expenses, consisting primarily of fees and expenses of investment bankers, attorneys and accountants and financial printing and other related charges, will be approximately $0.7 million. See Note 6 of unaudited pro forma combined consolidated condensed financial statements.

Selected Historical Financial Data

You should read the selected financial data presented below with the financial statements of the respective companies and the notes thereto. The Limelight historical consolidated financial statements and footnotes and EyeWonder historical financial statements and footnotes are included in this proxy statement/prospectus. See Where You Can Find More Information on page 164.

Limelight Financial Data

The following selected historical financial data for, and as of the end of, each of the five years in the period ended December 31, 2009 have been derived from Limelight s consolidated financial statements, which have been audited by Ernst & Young LLP, Limelight s independent registered public accounting firm. Consolidated Financial Statements prior to 2006 are not included or incorporated herein by reference.

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You should read this data together with the audited consolidated financial statements of Limelight, including the notes thereto, included in this proxy statement/prospectus. Please see the heading Where You Can Find More Information on page 164. Operating results for the year ended December 31, 2009 does not necessarily indicate the results that can be expected for the year ending December 31, 2010.

	Year Ended December 31,				
	2009	**2008**	**2007**	**2006**	**2005**
	(in thousands, except per share data)				
Statement of Operations Data:					
Revenue	$ 131,663	$ 129,530	$ 103,111	$ 65,243	$ 21,303
Cost of revenue:					
Cost of services (1)	61,572	58,186	44,802	25,662	9,037
Depreciation network	24,051	25,675	20,739	10,316	2,851
Total cost of revenue	85,623	83,861	65,541	35,978	11,888
Gross margin	46,040	45,669	37,570	29,265	9,415
Operating expenses:					
General and administrative (1)	34,128	52,440	31,827	18,388	4,107
Sales and marketing (1)	32,587	34,916	25,462	6,841	3,078
Research and development (1)	7,937	7,365	5,504	3,151	462
Depreciation and amortization	2,351	1,356	857	226	100
Provision for litigation (3)	(65,645)	17,515	48,130		
Total operating expenses	11,358	113,592	111,780	28,606	7,747
Operating income (loss)	34,682	(67,923)	(74,210)	659	1,668
Other income (expense):					
Interest expense	(39)	(55)	(1,418)	(1,828)	(955)
Interest income	1,345	5,098	5,153	208	
Other income (expense)	(14)	(171)	(144)	175	(16)
Total other income (expense)	1,292	4,872	3,591	(1,445)	(971)
Income (loss) before income taxes	35,974	(63,051)	(70,619)	(786)	697
Income tax expense (2)	1,084	16	2,401	2,591	300
Net income (loss)	$ 34,890	$ (63,067)	$ (73,020)	$ (3,377)	$ 397
Net income (loss) allocable to common stockholders	$ 34,890	$ (63,067)	$ (73,020)	$ (3,377)	$ 240
Net income (loss) per common share:					
Basic	$ 0.41	$ (0.76)	$ (1.26)	$ (0.13)	$ 0.01
Diluted	$ 0.40	$ (0.76)	$ (1.26)	$ (0.13)	$ 0.01
Shares used in per weighted average share calculation:					
Basic	84,202	82,932	57,982	25,059	34,737
Diluted	87,972	82,932	57,982	25,059	40,526

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(1) Includes share-based compensation as follows:

	Year Ended December 31,				
	2009	2008	2007	2006	2005
	(in thousands)				
Cost of services	$ 2,414	$ 2,243	$ 1,489	$ 459	$
General and administrative	7,556	8,060	10,653	6,794	94
Sales and marketing	4,970	5,400	3,948	334	
Research and development	2,523	2,355	2,820	1,661	
Total share-based compensation	$ 17,463	$ 18,058	$ 18,910	$ 9,248	$ 94

(2) In 2009, 2008, 2007 and 2006, approximately $3.2 million, $2.0 million, $10.5 million and $7.6 million, respectively, in stock-based compensation expense was not deductible for tax purposes by Limelight. In 2006, this resulted in Limelight incurring income tax expense despite Limelight having generated a loss before income taxes in that period. Limelight expects to continue to incur non-deductible stock-based compensation expense in the future. See Management s Discussion and Analysis of Financial Condition and Results of Operations Basis of Presentation Income Tax Expense.

(3) In February 2008, a jury returned a verdict in a patent infringement lawsuit filed by Akamai Technologies, Inc., or Akamai, and the Massachusetts Institute of Technology, or MIT, against Limelight, finding that Limelight infringed four claims of the patent at issue and rejecting Limelight s invalidity defenses. The jury awarded Akamai an aggregate of approximately $45.5 million in lost profits, reasonable royalties and price erosion damages, plus pre-judgment interest estimated to be $2.6 million. During 2008, Limelight recorded an additional potential damage liability relating to this infringement of $15.5 million, plus additional interest of $2.0 million. The total provision for litigation at December 31, 2008 was $65.6 million. Limelight also filed a motion for reconsideration of the court s earlier denial of Limelight s motion for Judgment as a Matter of Law or JMOL. Limelight s motion for reconsideration of JMOL was based largely upon a clarification in the standard for a finding of joint infringement articulated by the Federal Circuit in the case of *Muniauction, Inc. v. Thomson Corp*. (the *Muniauction* Case), released after the court denied Limelight s initial motion for JMOL. On April 24, 2009 the court issued its order and memorandum setting aside the adverse jury verdict and ruling that Limelight did not infringe Akamai s 703 patent and that Limelight is entitled to judgment as a matter of law. Based upon the court s April 24, 2009 order Limelight has reversed the $65.6 million provision for litigation previously recorded for this lawsuit as Limelight no longer believes that payment of any amounts represented by the litigation provision is probable. The court entered final judgment in favor of Limelight. Akamai filed a notice of appeal of the court s decision on May 26, 2009 and filed its appeal brief on September 15, 2009, Limelight filed its reply brief on December 9, 2009 and each party has filed further appeal briefs. A date has not been set by the appeals court for a hearing. Limelight cannot assure you that this lawsuit ultimately will be resolved in its favor.

	Year Ended December 31,				
	2009	2008	2007	2006	2005
	(in thousands)				
Balance Sheet Data:					
Cash and cash equivalents and marketable securities, current	$ 154,379	$ 174,643	$ 197,097	$ 7,611	$ 1,536
Non-current marketable securities	12	13	87	285	355
Working capital (deficit)	159,530	116,608	154,501	14,596	(1,827)
Property and equipment, net	35,524	40,185	46,968	41,784	11,986
Total assets	235,670	256,792	273,428	74,424	19,583
Long-term debt, less current portion				20,491	8,809
Convertible preferred stock				45	7
Total stockholders equity	202,800	150,131	194,037	37,039	1,823

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EyeWonder Financial Data

The following selected historical financial data for, and as of the end of, each of the five years in the period ended December 31, 2009 have been derived from EyeWonder s consolidated financial statements, which have been audited by Grant Thornton, LLP, EyeWonder s independent certified public accounting firm.

You should read this data together with the audited and unaudited consolidated financial statements of EyeWonder, including the notes thereto. Operating results for the year ended December 31, 2009 does not necessarily indicate the results that can be expected for the year ending December 31, 2010.

	Year Ended December 31,				
	2009	2008	2007	2006	2005
	(in thousands, except per share data)				
Statement of Operations Data:					
Revenue	$ 35,294	$ 25,533	$ 15,646	$ 6,230	$ 2,717
Operating expenses:					
Salaries, wages and employee benefits	21,559	15,540	7,778	3,483	1,655
Selling, general, and administrative expenses	7,731	6,731	4,155	1,785	652
Depreciation and amortization	807	541	278	101	49
Other production costs	2,993	3,408	1,197	763	397
Total operating expenses	33,090	26,220	13,408	6,132	2,753
Operating income (loss)	2,204	(687)	2,238	98	(36)
Other income (expense):					
Interest expense	(3,377)	(943)	(595)	(121)	(76)
Interest income	37	72	36		
Total other income (expense)	(3,340)	(871)	(559)	(121)	(76)
Income (loss) before income taxes	(1,136)	(1,558)	1,679	(23)	(112)
Income tax expense (benefit)	955				
Net income (loss)	$ (2,091)	$ (1,558)	$ 1,679	$ (23)	$ (112)
Less: Net loss attributable to the noncontrolling interests	(396)	(683)			
Net income (loss) attributable to EyeWonder, Inc.	$ (1,695)	$ (875)	$ 1,679	$ (23)	$ (112)
Net income (loss) allocable to common stockholders (unaudited)	$ (1,695)	$ (875)	$ 1,679	$ (23)	$ (112)
Net income (loss) per common share (unaudited):					
Basic	$ (0.15)	$ (0.09)	$ 0.11	$ (0.00)	$ (0.01)
Diluted	$ (0.15)	$ (0.09)	$ 0.09	$ (0.00)	$ (0.01)
Shares used in per weighted average share calculation (unaudited):					
Basic	11,397	9,863	14,644	9,380	9,313
Diluted	11,397	9,863	19,050	9,380	9,313

	Year Ended December 31,				
	2009	2008	2007	2006	2005
	(in thousands)				

Balance Sheet Data:					
Cash and cash equivalents	$ 2,196	$ 2,084	$ 1,287	$	$ 288
Restricted cash	263				
Non-current available for sale securities	985	107			
Working capital (deficit)	10,030	9,117	5,027	(1,106)	(1,438)
Property and equipment, net	1,255	901	823	414	73
Total assets	18,457	14,483	9,319	2,745	1,200
Long-term debt, less current portion	10,825	4,384	3,240	917	854
Convertible preferred stock	5,183	10,131	5,183	3,495	3,431
Total stockholders equity (deficit)	2,730	7,048	2,893	(1,689)	(2,210)

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SELECTED UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL DATA

We are providing the following summary unaudited pro forma combined consolidated condensed financial information to provide you with a better picture of what the results of operations and the financial position of Limelight s and EyeWonder s businesses might have looked like had the acquisition occurred on January 1, 2009 for statement of operations purposes and as of December 31, 2009 for balance sheet purposes. This information is provided for illustrative purposes only and is not necessarily indicative of what our results of operations or financial position would have been if those transactions actually occurred on the dates assumed. In addition, this information is not necessarily indicative of what our future consolidated operating results or consolidated financial position will be. The Unaudited Pro Forma Combined Consolidated Condensed Financial Statements are located below beginning on page 143.

	Year ended December 31, 2009 *(in thousands, except per share data)*	
Unaudited pro forma combined statement of operations data:		
Revenue	$	166,423
Cost of revenue:		
Cost of services		69,612
Depreciation network		24,051
Total cost of revenue		93,663
Gross margin		72,760
Operating expenses:		
General and administrative		41,412
Sales and marketing		46,438
Research and development		11,010
Depreciation and amortization		7,493
Provision for litigation		(65,645)
Total operating expenses		40,708
Operating income		32,052
Other income (expense):		
Interest expense		(46)
Interest income		862
Other income (expense)		(14)
Total other income (expense)		802
Income before income taxes		32,854
Income tax expense		2,039
Net income	$	30,815
Net income allocable to common stockholders	$	30,815
Net income per common share:		
Basic	$	0.32
Diluted	$	0.29
Shares used in per weighted average share calculation:		

Basic	96,942
Diluted	105,486

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		Year ended December 31, 2009
		(in thousands)
Unaudited pro forma combined balance sheet data:		
Cash and cash equivalents and marketable securities, current	$	94,283
Restricted cash		263
Marketable securities, less current portion		997
Working capital		105,669
Property and equipment, net		36,779
Total assets		321,560
Long-term debt, less current portion		225
Convertible preferred stock		
Total stockholders equity		249,455

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COMPARATIVE PER SHARE DATA

The following table presents Limelight s and EyeWonder s audited and unaudited historical per share and combined pro forma per share data after giving effect to the acquisition using the purchase method of accounting. The pro forma data does not purport to be indicative of the results of future operations or the results that would have occurred had the acquisition been consummated at the beginning of the periods presented. The information set forth below should be read in conjunction with Limelight s historical consolidated financial statements and the notes thereto and EyeWonder s historical financial statements and the notes thereto included in this proxy statement/prospectus. The unaudited pro forma combined per share data combine Limelight s and EyeWonder s results of operations for the year ended December 31, 2009. No cash dividends have ever been declared or paid on Limelight s or EyeWonder s common stock.

	Limelight Year ended December 31, 2009
Historical per common share:	
Earnings per share basic	$ 0.41
Earnings per share diluted	$ 0.40
Net book value per share (1)	$ 2.39

	EyeWonder Year ended December 31, 2009 *(unaudited)*
Historical per common share:	
Earnings per share basic	$ (0.15)
Earnings per share diluted	$ (0.15)
Net book value per share (1)	$ 0.24

	Combination Year ended December 31, 2009 *(unaudited)*
Pro forma combined per common share data:	
Earnings per combined company s share basic	$ 0.32
Earnings per combined company s share diluted	$ 0.29
Net book value per combined company s share (1)	$ 2.55

(1) Limelight s and EyeWonder s historical net book value per share of common stock is computed by dividing stockholders equity at the period end by the number of shares of common stock outstanding at the respective period end. The pro forma net book value per share of common stock of the combined company is computed by dividing the pro forma combined stockholders equity by the pro forma number of shares of Limelight s common stock outstanding at the respective period end assuming the combination had occurred as of that date.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this proxy statement/prospectus contains or incorporates by reference certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts but instead represent beliefs and expectations regarding future events, many of which are, by their nature, inherently uncertain and outside Limelight s and EyeWonder s control. Forward-looking statements include statements preceded by, followed by, or including the words could, would, should, may, will, target, plan, believe, expect, intend, anticipate, estimate, project, potential, possible, objective, outlook other similar expressions. In particular, the forward-looking statements contained in this proxy statement/prospectus include, but are not limited to, statements regarding:

- the expected financial condition, results of operations, earnings outlook and prospects of Limelight, EyeWonder and the combined company;
- the expected benefits of the merger;
- the likelihood that Limelight and EyeWonder will receive the regulatory approvals required to complete the merger;
- Limelight s expectation that EyeWonder s customers will continue to do business with the combined company;
- the expectation that the acquisition of EyeWonder will complement Limelight s content delivery network (CDN) business; and
- the expectation that the merger will result in increased operational efficiency and create opportunities for cost reduction through the elimination of redundant overhead expenses.

The forward-looking statements contained or incorporated by reference herein are subject to certain risks and uncertainties that may cause actual results to differ materially from those reflected in the forward-looking statements. Such risk and uncertainties include those set forth on page 26 under the heading Risk Factors, as well as, among others, the following:

- the expenses of the merger being greater than anticipated, including as a result of unexpected factors or events and unanticipated tax consequences of the merger;
- the exposure to litigation, including the possibility that litigation relating to the merger agreement and related transactions could delay or impede the completion of the merger;
- the integration of EyeWonder s business and operations with those of Limelight taking longer than anticipated, being costlier than anticipated and having unanticipated adverse results relating to EyeWonder s or Limelight s existing businesses; and
- the anticipated cost savings and other synergies of the merger taking longer to be realized or failing to be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger greater than expected.

You are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak of our beliefs only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this document. Except to the extent required by applicable law or regulation, neither Limelight nor EyeWonder undertakes any obligation to update these forward-looking statements to reflect

events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to Limelight or EyeWonder or any person acting on their behalf are expressly qualified in their entirety by the preceding cautionary statement.

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RISK FACTORS

In addition to the other information included in and incorporated by reference into this proxy statement/ prospectus, including the matters addressed in the section entitled Cautionary Statement Regarding Forward- Looking Statements beginning on page 25, you should carefully consider the following risk factors before deciding whether to vote for approval of the merger proposal and the adjournment proposal. In addition, you should read and consider the risks associated with the business of Limelight and the business of EyeWonder because these risks will also affect the combined company. Risks associated with the business of Limelight can be found below, as well as in Limelight s periodic reports, which are filed from time to time with the SEC, and risks associated with the business of EyeWonder can be found below. You should also read and consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See the section entitled Where You Can Find More Information beginning on page 164.

Risks Relating to the Merger

The number of shares of Limelight common stock that EyeWonder securityholders will receive in the merger is not determined by the market price of Limelight common stock. Declines in the market price of Limelight common stock will reduce the value received by EyeWonder securityholders in the merger. Increases in the market price of Limelight common stock will increase the value paid by Limelight in consideration of the merger.

Under the terms of the merger agreement, there is no mechanism to adjust the number of shares of Limelight common stock that will be issued in exchange for shares of EyeWonder capital stock based on changes in the market price of Limelight common stock. As a result, there will be no adjustment for changes in the market price of Limelight common stock. The dollar value of Limelight common stock received by EyeWonder securityholders upon completion of the merger will depend on the market value of Limelight common stock at the time of completion of the merger. The price of Limelight common stock has been volatile in the past and will likely continue to fluctuate in the future. A decline in the market price of Limelight common stock will result in a decline in the value received by EyeWonder securityholders. An increase in the market price of Limelight common stock will result in an increase in the value paid by Limelight in consideration of the merger.

The market price of Limelight s common stock may decline as a result of the merger.

The market price of Limelight s common stock may decline as a result of the merger for a number of reasons, including:

- the integration of EyeWonder by Limelight may be unsuccessful;
- there may be sales of substantial amounts of Limelight common stock after the merger;
- Limelight may not achieve the perceived benefits of the merger as rapidly as, or to the extent, anticipated by financial or industry analysts; or
- the effect of the merger on Limelight s financial results may not be consistent with the expectations of financial or industry analysts.

These factors are, to some extent, beyond Limelight s control. In addition, there will be a time period between the effective time of the merger and the time when EyeWonder securityholders actually receive book- entry shares evidencing Limelight common stock. Until book-entry shares are received, EyeWonder securityholders will not be able to sell their shares of Limelight common stock in the open market and, thus, will not be able to avoid losses resulting from any decline in the market price of Limelight common stock during this period. In addition, certain principal securityholders of EyeWonder have entered into a restriction agreement with Limelight and may only dispose of their shares of Limelight common stock acquired in the merger in accordance with the terms of the restriction agreement. Generally, the restrictions lapse ratably over a twelve month period after the closing of the merger, subject to certain exceptions.

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There may be sales of substantial amounts of Limelight common stock after the merger, which could cause Limelight s stock price to fall.

A substantially large number of shares of Limelight common stock may be sold into the public market within a short period of time following the closing of the merger, primarily due to the substantial number of shares that will be available for resale by certain former stockholders of EyeWonder who are not parties to restriction agreements that restrict the timing of the resale of these shares. As a result, Limelight s stock price could fall. In addition, the sale of these shares could impair Limelight s ability to raise capital through the sale of additional stock.

The failure of Limelight to operate and manage the combined company effectively could have a material adverse effect on Limelight s business, financial condition and operating results.

Limelight will need to meet significant challenges to realize the expected benefits and synergies of the merger. These challenges include:

- integrating the management teams, strategies, cultures, technologies and operations of the two companies;
- retaining and assimilating the key personnel of each company;
- retaining existing EyeWonder customers; and
- creating uniform standards, controls, procedures, policies and information systems.

The accomplishment of these post-merger objectives will involve considerable risk, including:

- the potential disruption of each company s ongoing business and distraction of their respective management teams;
- the possibility that the business cultures of Limelight and EyeWonder will not be compatible;
- the difficulty of incorporating acquired technology and rights into Limelight s operations;
- unanticipated expenses related to the integration;
- the impairment of relationships with employees and customers as a result of any integration of new personnel;
- potential unknown liabilities associated with the merger; and
- managing the risks related to EyeWonder s business that may continue to impact the business following the merger.

Limelight and EyeWonder have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of the technical skills and management expertise of key employees, the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies due to possible cultural conflicts or differences of opinions on technical decisions and services. A failure to integrate the two organizations successfully could adversely affect Limelight s ability to maintain relationships with customers, suppliers and employees or to achieve the anticipated benefits of the merger.

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Even if Limelight is able to integrate the EyeWonder business operations successfully, this integration may not result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that may be possible from this integration, and these benefits may not be achieved within a reasonable period of time.

Limelight expects to incur costs integrating the companies into a single business, and if such integration is not successful Limelight may not realize the expected benefits of the merger.

Limelight expects to incur significant costs integrating Limelight s and EyeWonder s operations, products and personnel. These costs may include costs for:

- employee redeployment, relocation or severance;
- conversion of information systems;
- combining or coordinating research and development teams and processes;
- combination or closures of facilities; and
- amortization of intangibles.

In addition, Limelight expects to incur significant transaction costs in connection with the merger. Limelight does not know whether it will be successful in these integration efforts or in consummating the merger and cannot assure you that it will realize the expected benefits of the merger.

Failure to retain key employees would diminish the anticipated benefits of the merger.

The success of the merger will depend in part on the retention of personnel critical to the business and operations of the combined company due to, for example, their technical skills or management expertise. Employees may experience uncertainty about their future role with EyeWonder and Limelight until strategies with regard to these employees are announced or executed. Additionally, there is intense competition for qualified technical personnel in each company s industry. If EyeWonder and Limelight are unable to retain personnel, including EyeWonder s key management, technical and sales personnel who are critical to the successful integration and future operations of the companies, EyeWonder and Limelight could face disruptions in their operations, loss of existing customers, loss of key information, expertise or know-how, and unanticipated additional recruitment and training costs. In addition, the loss of key personnel would diminish the anticipated benefits of the merger. Limelight and EyeWonder cannot assure you that they will be able to attract, retain and integrate employees following the merger.

Uncertainty regarding the merger may cause customers, suppliers or strategic partners to delay or defer decisions concerning Limelight and EyeWonder and adversely affect each company s ability to attract and retain key employees, which would adversely affect the future business and operations of Limelight and EyeWonder.

The merger will happen only if stated conditions are met, including the approval of the issuance of Limelight common stock by Limelight s stockholders and approval of the merger proposal by EyeWonder s stockholders, the receipt of regulatory approvals, and the absence of any material adverse effect in the business of EyeWonder. Many of the conditions are outside the control of Limelight and EyeWonder, and both parties also have stated rights to terminate the merger agreement. Accordingly, there may be uncertainty regarding the completion of the merger. This uncertainty may cause customers, suppliers or strategic partners to delay or defer decisions concerning Limelight or EyeWonder, which could negatively affect their respective businesses. Any delay or deferral of those decisions or changes in existing agreements could have a material adverse effect on the

respective businesses of Limelight and EyeWonder, regardless of whether the merger is ultimately completed. Customers may also seek to modify or terminate existing agreements. In addition, by increasing the breadth of Limelight s and EyeWonder s business, the merger may make it more difficult for the combined company to enter into and maintain relationships, including customer relationships, with suppliers or strategic partners, some of whom may view the combined company as a more direct competitor than either Limelight or EyeWonder as an independent company. Moreover, diversion of management focus and resources from the day-to-day operation of the business to matters relating to the merger could have a material adverse effect on each company s business and operations, regardless of whether the merger is completed. Current and prospective employees of each company may experience uncertainty about their future roles with the combined company. This may adversely affect each company s ability to attract and retain key management, sales, marketing and technical personnel.

Directors and executive officers of EyeWonder may have conflicts of interest in recommending that EyeWonder stockholders vote in favor of the merger proposal.

Some of the directors and executive officers of EyeWonder have interests in the merger that may be different from, or are in addition to, the interests of EyeWonder stockholders. These interests relate to the payment of severance benefits to certain of EyeWonder s executive officers under certain circumstances, the employment of John J. Vincent as Chief Executive Officer of the surviving entity following the merger, the consulting services anticipated to be provided by Thomas Falk to Limelight following the merger, the appointment of Mr. Vincent and Mr. Falk to the board of directors of Limelight, the indemnification of the officers, directors and employees of EyeWonder by Limelight in certain circumstances, the grant of stock options and issuance of restricted stock units among employees of EyeWonder who continue as employees of the surviving entity, and the maintenance of the EyeWonder or substantially similar employee benefit plans. EyeWonder stockholders should consider these interests in connection with their vote on the merger proposal, including whether these interests may have influenced these directors and executive officers to recommend or support the merger proposal. See Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Interests of EyeWonder s Executive Officers and Directors in the Merger beginning on page 87.

The market price of Limelight common stock after the merger may be affected by factors different from those affecting the shares of EyeWonder or Limelight currently.

The businesses of Limelight and EyeWonder differ in important respects and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of Limelight and EyeWonder. For a discussion of the business of Limelight and of certain factors to consider in connection with its business, see the documents incorporated by reference in this proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 164.

The merger may go forward in certain circumstances even if EyeWonder suffers a material adverse effect, which could cause the market price of Limelight s common stock to decline.

In general, Limelight can refuse to complete the merger if a material adverse effect (as defined below under the heading The Merger Agreement Material Adverse Effect) occurs with regard to EyeWonder before the closing. However, Limelight may not refuse to complete the merger on that basis as a result of any fact, circumstance, change or effect resulting from:

- general economic, financial or political conditions in the United States or any other jurisdiction in which EyeWonder or any of its subsidiaries has substantial business or operations, and any changes therein (including any changes arising out of acts of terrorism, war, weather conditions or other force majeure events) to the extent they do not have a material and substantially disproportionate impact on EyeWonder and its subsidiaries, taken as a whole, relative to other interactive digital advertising companies of comparable size;

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general conditions in the industries in which EyeWonder or any of its subsidiaries conduct business, and any changes therein (including any changes arising out of acts of terrorism, war, weather conditions or natural disasters) to the extent that they do not have a material and substantially disproportionate impact on EyeWonder and its subsidiaries, taken as a whole, relative to other interactive digital advertising companies of comparable size;

changes in U.S. generally accepted accounting principals, or GAAP, or any interpretations of GAAP;

the announcement or pendency of the merger agreement and the transactions contemplated thereby; or

the failure, of EyeWonder, in and of itself, to meet internal projections, forecasts or budgets of revenues, earnings or other financial metrics.

If adverse changes occur but Limelight and EyeWonder must still complete the merger, Limelight s stock price may suffer. This in turn may reduce the value of the merger to EyeWonder securityholders.

EyeWonder stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

EyeWonder stockholders currently have the right to vote in the election of the board of directors of EyeWonder and on other matters affecting EyeWonder. While the EyeWonder stockholders will continue to have the right to vote, their relative voting power will be diminished. It is expected that the former stockholders of EyeWonder as a group will own approximately 13% of the outstanding shares of Limelight immediately after the completion of merger, which percentage is based upon the number of outstanding shares of Limelight common stock on March 1, 2010.

Because of this, EyeWonder s stockholders will have less influence on the management and policies of Limelight than they now have on the management and policies of EyeWonder.

The merger agreement limits EyeWonder s ability to pursue alternatives to the merger, which could discourage potential competing acquirers that might have an interest in acquiring EyeWonder.

The merger agreement contains a non-solicitation provision that limits EyeWonder s ability to solicit, facilitate or commit to competing third-party proposals to acquire all or a significant part of EyeWonder. In addition, as an inducement for Limelight to enter into the merger agreement, certain stockholders of EyeWonder entered into voting agreements covering the EyeWonder capital stock held by such stockholders with and in favor of Limelight dated as of December 21, 2009. Pursuant to these voting agreements, each such stockholder agreed, among other things, to vote all of the EyeWonder capital stock held by such stockholder in favor of the adoption of the merger agreement and the transactions contemplated by the merger agreement and against any proposal that would compete with the merger agreement and the transactions contemplated by the merger agreement. Also, as an inducement for Limelight to enter into the merger agreement, certain stockholders of EyeWonder entered into purchase agreements with and in favor of Limelight dated as of December 21, 2009. Pursuant to these purchase agreements, each such stockholder agreed, among other things, to sell the EyeWonder securities beneficially held by such stockholder to Limelight under certain specified circumstances. The non- solicitation provision of the merger agreement and the voting and purchase agreements might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of EyeWonder from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger or might result in a potential competing acquirer proposing to pay a lower per share price to acquire EyeWonder than it might otherwise have proposed to pay.

If Limelight fails to maintain proper and effective internal controls or fails to implement its controls and procedures at EyeWonder and its subsidiaries after the merger, Limelight s ability to produce accurate financial statements could be impaired, which could adversely affect its operating results, its ability to operate its business and investors confidence in Limelight.

Limelight must ensure that it has adequate internal financial and accounting controls and procedures in place so that it can produce accurate financial statements on a timely basis. This obligation will become more difficult as a result of the acquisition of EyeWonder. Limelight is required to spend considerable effort on establishing and maintaining its internal controls, which is costly and time-consuming and needs to be reevaluated frequently. Limelight has very limited experience in designing and testing its internal controls. For example, during the third quarter of 2007, Limelight discovered material weaknesses in its system of internal controls over its revenue recognition and stock-based compensation processes that required it to restate its previously reported consolidated financial statements for the three-and nine-months ended September 30, 2006, the three-months and year ended December 31, 2006, the three-months ended March 31, 2007, and the three and six months ended June 30, 2007.

Limelight has only operated as a public company since June 2007 and it will continue to incur significant legal, accounting and other expenses as it complies with the Sarbanes-Oxley Act of 2002, as well as new rules subsequently implemented by the Securities and Exchange Commission and the Nasdaq Stock Market s Global Market. These rules impose various requirements on public companies, including requiring changes in corporate governance practices, increased reporting of compensation arrangements and other requirements. Limelight s management and other personnel will continue to devote a substantial amount of time to these compliance initiatives. Moreover, applying rules and regulations to the combined companies will increase Limelight s legal and financial compliance costs and will make some activities more time-consuming and costly. These rules and regulations could also make it more difficult for Limelight to attract and retain qualified persons to serve on its board of directors, its board committees or as executive officers.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that Limelight include in its annual report its assessment of the effectiveness of its internal control over financial reporting and its audited financial statements as of the end of each fiscal year. Furthermore, Limelight s independent registered public accounting firm is required to report on whether it believes Limelight maintained, in all material respects, effective internal control over financial reporting as of the end of the year. Limelight successfully completed its assessment and obtained its auditors attestation as to the effectiveness of its internal control over financial reporting as of December 31, 2009 and 2008, respectively. EyeWonder has not been required to establish or test internal controls required for public companies and its auditors have not reviewed its internal controls or procedures. Limelight s continued compliance with Section 404 will require that it incur substantial expense and expends significant management time on compliance related issues, including Limelight s efforts in implementing controls and procedures for EyeWonder and its subsidiaries. Limelight currently does not have an internal audit group and uses an international accounting firm to assist it with its assessment of the effectiveness of its internal controls over financial reporting. In future years, if Limelight fails to timely complete this assessment, or if its auditors cannot timely attest, there may be a loss of public confidence in its internal controls, the market price of its stock could decline and Limelight could be subject to regulatory sanctions or investigations by the Nasdaq Stock Market s Global Market, the Securities and Exchange Commission or other regulatory authorities, which would require additional financial and management resources. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Limelight s operating results or cause it to fail to timely meet its regulatory reporting obligations.

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The merger is subject to the receipt of consents and approvals from regulatory authorities that may impose conditions that could have an adverse effect on Limelight or, if not obtained, could prevent completion of the merger.

Before the merger may be completed, various approvals or consents must be obtained from various regulatory and other authorities. This includes filing all required notices to governmental authorities, including the required filings with the U.S. Department of Justice, or the DOJ, and the Federal Trade Commission, or the FTC, pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, referred to herein as the HSR Act. Limelight and EyeWonder filed the applications to obtain the applicable regulatory approvals on January 25, 2010. On January 29, 2010, the Premerger Notification Office of the FTC informed the parties that early termination of the statutory waiting period had been granted.

However, either the DOJ or FTC could open an investigation of the merger and could also challenge or seek to block the merger under the antitrust laws, as it deems necessary or desirable in the public interest, even after the statutory waiting period has been early terminated, and even after completion of the merger. State attorneys general in the various states in which Limelight and EyeWonder operate may also open an investigation of the merger. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after completion of the merger. Limelight and EyeWonder cannot be sure that a challenge to the merger will not be made or that, if a challenge is made, Limelight and EyeWonder will prevail. For a full description of the regulatory clearances, consents and approvals required for the merger, please see Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Regulatory Approvals Required for the Merger beginning on page 92.

Failure to complete the merger could negatively affect both Limelight and EyeWonder s future business and operations.

If the merger is not completed for any reason, Limelight and EyeWonder may each be subject to a number of material risks. If the merger agreement is terminated, Limelight and EyeWonder may each be unable to pursue another business combination transaction on terms as favorable as those set forth in the merger agreement, or at all. This could limit both Limelight s and EyeWonder s ability to pursue their strategic goals. Costs related to the merger, such as financial advisory, legal, accounting and printing fees, must be paid even if the merger is not completed. In addition, EyeWonder may be required under certain circumstances to pay Limelight, and Limelight may be required under certain circumstances to pay EyeWonder, a termination fee of $3.5 million.

A shift or decline in the demand for interactive digital advertising products and services could substantially reduce the anticipated benefits of the merger.

Limelight expects that customers will continue to purchase interactive digital advertising products and services and that the acquisition of EyeWonder will result in new market opportunities. However, if customer demand in the digital advertising market decreases or is less than expected, or if customer preferences shift to new or different products or services, then Limelight may not realize all of the anticipated benefits of the merger.

Failure to achieve cost synergies could harm Limelight s business and operating results.

Limelight anticipates that the merger will result in cost synergies associated with combining facilities, IT infrastructure, and certain functions such as finance, human resources and administrative services. However, differences between the two companies operations could cause unforeseen delays in the integration process, result in lower savings than originally anticipated, or both, which could adversely affect Limelight s business and operating results.

The combined company will face uncertainties related to the effectiveness of internal controls.

Although each of Limelight s and EyeWonder s management has determined, and each of their respective independent registered public accounting firms have attested, that their respective internal controls were effective

as of the end of their most recent fiscal years, there can be no assurance that the combined company or its independent registered public accounting firm will not identify a material weakness in the combined company s internal controls in the future. A material weakness in internal controls over financial reporting would require management and the combined company s independent public accounting firm to evaluate its internal controls as ineffective. If internal controls over financial reporting are not considered adequate, the combined company may experience a loss of public confidence, which could have an adverse effect on its business and stock price.

Limelight and EyeWonder may waive one or more of the conditions of the merger without re-soliciting stockholder approval for the merger.

Each of the conditions to Limelight s and EyeWonder s obligations to complete the merger may be waived, in whole or in part, to the extent permitted by applicable law, by agreement of Limelight and EyeWonder, if the condition is a condition to both Limelight s and EyeWonder s obligation to complete the merger, or by the party for which such condition is a condition of its obligation to complete the merger. The boards of directors of Limelight and EyeWonder may evaluate the materiality of any such waiver to determine whether amendment of this proxy statement/prospectus and re-solicitation of proxies are necessary. Limelight and EyeWonder, however, generally do not expect any such waiver to be significant enough to require re-solicitation of stockholders. In the event that any such waiver is not determined to be significant enough to require re-solicitation of stockholders, the companies will have the discretion to complete the merger without seeking further stockholder approval. Additionally, following approval of the merger proposal by EyeWonder s stockholders, any amendment that would require approval of EyeWonder s stockholders may be made upon the approval of the stockholder representative which approval will be binding on EyeWonder s stockholders.

Risks Relating to Limelight

Limelight is a party to several lawsuits, and an adverse outcome in any or all of those lawsuits is possible, which could have a significant, adverse effect on Limelight s financial condition and operations. If an injunction were entered against Limelight it could force Limelight to cease providing its CDN services.

Limelight is a defendant in three significant lawsuits. In each case Limelight currently has favorable rulings, but it cannot provide any assurance that these favorable rulings won t be overturned or reversed on appeal, or that the ultimate outcome of any of these lawsuits won t be materially adverse to Limelight. The expenses of defending these lawsuits and other lawsuits to which Limelight may become a party, particularly fees paid to its lawyers and expert consultants, have been and will continue to be significant and will continue to adversely affect Limelight s operating results during the pendency of the lawsuits. This litigation will also continue to be a distraction to Limelight s management in operating Limelight s business. Limelight expects that its litigation expenses will continue to be significant on a quarterly basis for the foreseeable future.

In February 2008, a jury returned a verdict in a patent infringement lawsuit filed by Akamai Technologies, Inc., or Akamai, and the Massachusetts Institute of Technology, or MIT, against Limelight, finding that Limelight infringed four claims of the patent at issue and rejecting its invalidity defenses. The jury awarded Akamai an aggregate of approximately $45.5 million in lost profits, reasonable royalties and price erosion damages, plus pre-judgment interest estimated to be $2.6 million that Limelight recorded in 2007. During 2008 Limelight recorded an additional provision of approximately $17.5 million for potential additional infringement damages and interest.

The court conducted a bench trial in November 2008, regarding Limelight s equitable defenses; and Limelight filed a motion for reconsideration of the court s earlier denial of Limelight s motion for Judgment as a Matter of Law (JMOL). Limelight s motion for JMOL was based largely upon a clarification in the standard for a finding of joint infringement articulated by the Federal Circuit in the case of Muniauction, Inc. v. Thomson Corp. (the Muniauction Case), released after the court denied Limelight s initial motion for JMOL. On April 24, 2009 the court issued its order and memorandum setting aside the adverse jury verdict and ruling that

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Limelight does not infringe Akamai s 703 patent and that Limelight is entitled to judgment as a matter of law. Based upon the court s April 24, 2009 order Limelight has reversed the provision for litigation relating to this matter as it no longer believes that payment of any amounts represented by the litigation provision is probable. Although the court has entered judgment in Limelight s favor and Limelight believes the ruling of the court is correct, Akamai has appealed the judgment and Limelight cannot provide any assurance that the lawsuit ultimately will be resolved in its favor. An adverse ruling could seriously impact Limelight s ability to conduct its business and to offer its products and services to its customers. A permanent injunction could prevent Limelight from operating its CDN to deliver certain types of traffic, which could impact the viability of its business. Any adverse ruling, in turn, would harm Limelight s revenue, market share, reputation, liquidity and overall financial position.

In January 2009, in a patent infringement lawsuit filed by Level 3 Communications LLC, or Level 3, against Limelight, a jury returned a verdict finding that Limelight did not infringe any of the claims of the patents at issue in that case. The court denied Level 3 s subsequent motion for JMOL or alternatively for a new trial, and entered judgment in Limelight s favor. Level 3 has appealed the judgment. Although Limelight believes the jury verdict and the judgment in this matter are correct, Limelight cannot provide any assurance at this time that the lawsuit ultimately will be resolved in Limelight s favor. An adverse ruling could seriously impact Limelight s ability to conduct its business and to offer its products and services to its customers. A permanent injunction could prevent Limelight from operating its CDN to deliver certain types of traffic, which could impact the viability of its business. Any adverse ruling, in turn, would harm Limelight s revenue, market share, reputation, liquidity and overall financial position.

In August 2007, Limelight, certain of Limelight s officers and directors, and the firms that served as the lead underwriters in Limelight s initial public offering were named as defendants in several purported class action lawsuits. These lawsuits have been consolidated into a single lawsuit in the United States District Court for the District of Arizona. The consolidated complaint asserts causes of action under Sections 11, 12 and 15 of the Securities Act of 1933, as amended, on behalf of a professed class consisting of all those who were allegedly damaged as a result of acquiring Limelight s common stock in Limelight s initial public offering between June 8, 2007 and August 8, 2007. The complaint seeks compensatory damages and plaintiffs costs and expenses in the litigation. The complaint alleges, among other things, that Limelight omitted and/or misstated certain facts concerning the seasonality of its business and the loss of revenue with respect to certain customers. On March 17, 2008, Limelight and the individual defendants moved to dismiss all of the plaintiffs claims, and a hearing was held on this motion on June 16, 2008. On August 8, 2008, the court granted the motion to dismiss, dismissing the plaintiffs claims under Section 12 with prejudice and granting leave to amend the claims under Sections 11 and 15. Plaintiffs chose not to amend the claims under Sections 11 and 15, and on August 29, 2008 the court entered judgment in favor of Limelight. On September 5, 2008, the plaintiffs filed a notice of appeal, and appellate briefs were filed by the parties in January and February 2009. Limelight has in place directors and officers liability insurance and notice of this matter has been given to the insurance carriers. The insurance has reimbursed certain of the expenses incurred by Limelight in defending this action. In November 2009 the parties entered into a Memorandum of Understanding to settle this lawsuit for an amount well within the coverage limits of the primary carrier of Limelight s directors and officers liability insurance, and Limelight is seeking court approval to finalize the settlement. Although Limelight believes that Limelight and the individual defendants have meritorious defenses to the claims made in the complaint, there can be no assurance at this time that the settlement will be approved by the court, or otherwise completed. If Limelight receives an adverse ruling with respect to the approval of the settlement in this case and Limelight subsequently receives an adverse judgment which exceeds the amount of its directors and officers liability insurance coverage or that insurance is not available to satisfy the judgment, such a ruling could harm its liquidity and overall financial position.

Limelight may need to defend its intellectual property and processes against patent or copyright infringement claims, which would cause it to incur substantial costs and threaten its ability to do business.

Companies, organizations or individuals, including Limelight s competitors, may hold or obtain patents or other proprietary rights that would prevent, limit or interfere with Limelight s ability to make, use or sell its

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services or develop new services, which could make it more difficult for Limelight to operate its business. From time to time, Limelight may receive inquiries from holders of patents inquiring whether Limelight infringes their proprietary rights. Companies holding Internet-related patents or other intellectual property rights are increasingly bringing suits alleging infringement of such rights or otherwise asserting their rights and seeking licenses. Any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources. In addition, if Limelight is determined to have infringed upon a third party s intellectual property rights, it may be required to do one or more of the following:

- cease selling, incorporating or using products or services that incorporate the challenged intellectual property;
- pay substantial damages;
- obtain a license from the holder of the infringed intellectual property right, which license may or may not be available on reasonable terms or at all; or
- redesign products or services.

If Limelight is forced to take any of these actions, its business may be seriously harmed. In the event of a successful claim of infringement against Limelight and its failure or inability to obtain a license to the infringed technology, its business and operating results could be harmed.

Limelight currently faces competition from established competitors and may face competition from others in the future.

Limelight competes in markets that are intensely competitive, rapidly changing and characterized by constantly declining prices and vendors offering a wide range of content delivery solutions. Limelight has experienced and expects to continue to experience increased competition, and particularly aggressive price competition. Many of Limelight s current competitors, as well as a number of its potential competitors, have longer operating histories, greater name recognition, broader customer relationships and industry alliances and substantially greater financial, technical and marketing resources than it does. As a consequence of the competitive dynamics in Limelight s market it has experienced reductions in its prices, which in turn adversely affect its revenue, gross margin and operating results.

Limelight s primary competitors include content delivery service providers such as Akamai, Level 3 Communications, AT&T, CDNetworks and Internap Network Services Corporation, which acquired VitalStream. Also, as a result of the growth of the content delivery market, a number of companies have recently entered or are currently attempting to enter Limelight s market, either directly or indirectly, some of which may become significant competitors in the future. Limelight s competitors may be able to respond more quickly than it can to new or emerging technologies and changes in customer requirements. Given the relative ease by which customers typically can switch among CDN providers, differentiated offerings or pricing by competitors could lead to a rapid loss of customers. Some of Limelight s current or potential competitors may bundle their offerings with other services, software or hardware in a manner that may discourage content providers from purchasing the services that Limelight offers. In addition, as Limelight expands internationally, it faces different market characteristics and competition with local content delivery service providers, many of which are very well positioned within their local markets. Increased competition could result in price reductions and revenue shortfalls, loss of customers and loss of market share, which could harm Limelight s business, financial condition and results of operations.

If Limelight fails to manage future growth effectively, it may not be able to market and sell its services successfully.

Limelight s future operating results will depend to a large extent on its ability to manage expansion and growth successfully. Risks that Limelight faces in undertaking this expansion include: training new sales

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personnel to become productive and generate revenue; forecasting revenue; controlling expenses and investments in anticipation of expanded operations; implementing and enhancing its content delivery network (CDN), and administrative infrastructure, systems and processes; addressing new markets; and expanding international operations. A failure to manage its growth effectively could materially and adversely affect Limelight s ability to market and sell its products and services.

Limelight may lose customers if customers elect to develop content delivery solutions internally.

Limelight s customers and potential customers may decide to develop their own content delivery solutions rather than outsource these solutions to CDN services providers like Limelight. This is particularly true as Limelight s customers increase their operations and begin expending greater resources on delivering their content using third-party solutions. If Limelight fails to offer CDN services that are competitive to in-sourced solutions, it may lose additional customers or fail to attract customers that may consider pursuing this in-sourced approach, and its business and financial results would suffer.

Limelight may lose customers if customers are unable to build business models that effectively monetize delivery of their content.

Some of Limelight s customers will not be successful in selling advertising or otherwise monetizing the content it delivers on their behalf and consequently may not be successful in creating a profitable business model. This will result in some of Limelight s customers discontinuing their Internet or web-based business operations and discontinuing use of Limelight s services and products. Further, weakness and related uncertainty in the global financial markets and economy which has included, among other things, significant reductions in available capital and liquidity from banks and other providers of credit, substantial reductions and/or fluctuations in equity and currency values worldwide and concerns that the worldwide economy may be in a prolonged recessionary period may materially adversely impact Limelight s customers access to capital or willingness to spend capital on Limelight s services or in some cases, ultimately cause the customer to file for protection from creditors under applicable insolvency or bankruptcy laws or simply go out of business. This uncertainty may also impact Limelight s customers levels of cash liquidity, which could affect their ability or willingness to timely pay for services that they will order or have already ordered from Limelight. From time to time Limelight discontinues service to customers for non-payment of services. Limelight expects further customers may discontinue operations or not be willing or able to pay for services that they have ordered from Limelight. Further loss of customers may adversely affect Limelight s financial results.

Rapidly evolving technologies or new business models could cause demand for Limelight s CDN services to decline or could cause these services to become obsolete.

Customers or third parties may develop technological or business model innovations that address content delivery requirements in a manner that is, or is perceived to be, equivalent or superior to Limelight s CDN services. If competitors introduce new products or services that compete with or surpass the quality or the price/ performance of Limelight s services, Limelight may be unable to renew its agreements with existing customers or attract new customers at the prices and levels that allow it to generate attractive rates of return on its investment. For example, one or more third parties might develop improvements to current peer-to-peer technology, which is a technology that relies upon the computing power and bandwidth of its participants, such that this technological approach is better able to deliver content in a way that is competitive to Limelight s CDN services, or even makes CDN services obsolete. Limelight may not anticipate such developments and may be unable to adequately compete with these potential solutions. In addition, Limelight s customers business models may change in ways that it does not anticipate and these changes could reduce or eliminate its customers needs for CDN services. If this occurred, Limelight could lose customers or potential customers, and its business and financial results would suffer. As a result of these or similar potential developments, in the future it is possible that competitive dynamics in Limelight s market may require it to reduce its prices, which could harm its revenue, gross margin and operating results.

If Limelight is unable to sell its services at acceptable prices relative to its costs, its revenue and gross margins will decrease, and its business and financial results will suffer.

Prices for content delivery services have fallen in recent years and are likely to fall further in the future. Limelight has invested significant amounts in purchasing capital equipment to increase the capacity of its content delivery services. For example, in 2006, 2007, 2008 and 2009 Limelight invested $40.6 million, $22.3 million, $17.4 million and $20.4 million, respectively, in capital expenditures primarily for computer equipment associated with the build-out and expansion of its CDN. Limelight s investments in its infrastructure are based upon its assumptions regarding future demand and also prices that it will be able to charge for its services. These assumptions may prove to be wrong. If the price that Limelight is able to charge customers to deliver their content falls to a greater extent than it anticipates, if Limelight over-estimates future demand for its services or if Limelight s costs to deliver its services do not fall commensurate with any future price declines, Limelight may not be able to achieve acceptable rates of return on its infrastructure investments and its gross profit and results of operations may suffer dramatically.

During 2010, as Limelight further expands its CDN and begins to refresh its network equipment, it expects its capital expenditures to be approximately 15% to 17% of total revenue. As a consequence, Limelight is dependent on significant future growth in demand for its services to provide the necessary gross profit to pay these additional expenses. If Limelight fails to generate significant additional demand for its services, its results of operations will suffer and it may fail to achieve planned or expected financial results. There are numerous factors that could, alone or in combination with other factors, impede Limelight s ability to increase revenue, moderate expenses or maintain gross margins, including:

- failure to increase sales of its core services;
- increases in electricity, bandwidth and rack space costs or other operating expenses, and failure to achieve decreases in these costs and expenses relative to decreases in the prices it can charge for its services and products;
- inability to maintain Limelight s prices relative to its costs;
- failure of its current and planned services and software to operate as expected;
- loss of any significant customers or loss of existing customers at a rate greater than its increase in new customers or its sales to existing customers;
- failure to increase sales of its services to current customers as a result of their ability to reduce their monthly usage of its services to their minimum monthly contractual commitment;
- failure of a significant number of customers to pay its fees on a timely basis or at all or failure to continue to purchase its services in accordance with their contractual commitments; and
- inability to attract high-quality customers to purchase and implement it s current and planned services.

If Limelight is unable to develop new services and enhancements to existing services or fails to predict and respond to emerging technological trends and customers changing needs, its operating results may suffer.

The market for Limelight s CDN services is characterized by rapidly changing technology, evolving industry standards and new product and service introductions. Limelight s operating results depend on its ability to develop and introduce new services into existing and emerging markets. The process of developing new technologies is complex and uncertain. Limelight must commit significant resources to developing new services or enhancements to its existing services before knowing whether its investments will result in services the market

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will accept. Furthermore, Limelight may not execute successfully its technology initiatives because of errors in planning or timing, technical hurdles that it fails to overcome in a timely fashion, misunderstandings about market demand or a lack of appropriate resources. As prices for CDN continue to fall, Limelight will increasingly rely on new product offerings and other value added services to maintain or increase its gross margins. Failures in execution or market acceptance of new services Limelight introduces could result in competitors providing those solutions before Limelight does, which could lead to loss of market share, revenue and earnings.

Limelight depends on a limited number of customers for a substantial portion of its revenue in any fiscal period, and the loss of, or a significant shortfall in demand from these customers could significantly harm its results of operations.

During any given fiscal period, a relatively small number of customers typically account for a significant percentage of Limelight s revenue. For example, in 2009, sales to Limelight s top 10 customers, in terms of revenue, accounted for approximately 36% of its total revenue. During 2008 and 2007, sales to Limelight s top 10 customers, in terms of revenue, accounted for approximately 38% and 45%, respectively of its total revenue. During 2009, 2008, and 2007 one of these top 10 customers, Microsoft, represented approximately 14%, 18%, and 12%, respectively, of Limelight s total revenue for that period. Microsoft, and other large customers, may not continue to be as significant going forward as they have been in the past. In the past, the customers that comprised Limelight s top 10 customers have continually changed, and it has also experienced significant fluctuations in its individual customers usage of its services. As a consequence, Limelight may not be able to adjust its expenses in the short term to address the unanticipated loss of a large customer during any particular period. As such, Limelight may experience significant, unanticipated fluctuations in its operating results which may cause it to not meet its expectations or those of stock market analysts, which could cause its stock price to decline.

If Limelight is unable to attract new customers or to retain its existing customers, its revenue could be lower than expected and its operating results may suffer.

In addition to adding new customers to increase Limelight s revenue, it must sell additional services to existing customers and encourage existing customers to increase their usage levels. If Limelight s existing and prospective customers do not perceive its services to be of sufficiently high value and quality, it may not be able to retain its current customers or attract new customers. Limelight sells its services pursuant to service agreements that generally include some form of financial minimum commitment. Limelight s customers have no obligation to renew their contracts for its services after the expiration of their initial commitment, and these service agreements may not be renewed at the same or higher level of service, if at all. Moreover, under some circumstances, some of Limelight s customers have the right to cancel their service agreements prior to the expiration of the terms of their agreements. This fact, in addition to the changing competitive landscape in Limelight s market, means that it cannot accurately predict future customer renewal rates or usage rates. Limelight s customers renewal rates may decline or fluctuate as a result of a number of factors, including:

- their satisfaction or dissatisfaction with its services;
- the prices of its services;
- the prices of services offered by its competitors;
- discontinuation by its customers of their Internet or web-based content distribution business;
- mergers and acquisitions affecting its customer base; and
- reductions in its customers spending levels.

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If Limelight s customers do not renew their service agreements with Limelight or if they renew on less favorable terms, Limelight s revenue may decline and its business will suffer. Similarly, Limelight s customer agreements often provide for minimum commitments that are often significantly below its customers historical usage levels. Consequently, even if Limelight has agreements with its customers to use its services, these customers could significantly curtail their usage without incurring any penalties under their agreements. In this event, Limelight s revenue would be lower than expected and its operating results could suffer.

It also is an important component of Limelight s growth strategy to market its CDN services to industries, such as enterprise and the government. As an organization, Limelight does not have significant experience in selling its services into these markets. Limelight has only recently begun a number of these initiatives, and its ability to successfully sell its services into these markets to a meaningful extent remains unproven. If Limelight is unsuccessful in such efforts, its business, financial condition and results of operations could suffer.

Limelight s results of operations may fluctuate in the future. As a result, Limelight may fail to meet or exceed the expectations of securities analysts or investors, which could cause its stock price to decline.

Limelight s results of operations may fluctuate as a result of a variety of factors, many of which are outside of its control. If Limelight s results of operations fall below the expectations of securities analysts or investors, the price of its common stock could decline substantially. In addition to the effects of other risks discussed in this section, fluctuations in Limelight s results of operations may be due to a number of factors, including:

- its ability to increase sales to existing customers and attract new customers to its CDN services;
- the addition or loss of large customers, or significant variation in their use of its CDN services;
- costs associated with current or future intellectual property lawsuits and other lawsuits;
- service outages or security breaches;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of its business, operations and infrastructure;
- the timing and success of new product and service introductions by Limelight or its competitors;
- the occurrence of significant events in a particular period that result in an increase in the use of its CDN services, such as a major media event or a customer s online release of a new or updated video game;
- changes in its pricing policies or those of its competitors;
- the timing of recognizing revenue;
- limitations of the capacity of its content delivery network and related systems;

the timing of costs related to the development or acquisition of technologies, services or businesses;

general economic, industry and market conditions (such as the fluctuations experienced in the stock and credit markets during the recent deterioration of global economic conditions) and those conditions specific to Internet usage;

limitations on usage imposed by its customers in order to limit their online expenses; and

geopolitical events such as war, threat of war or terrorist actions.

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Limelight believes that its revenue and results of operations may vary significantly in the future and that period-to-period comparisons of its operating results may not be meaningful. You should not rely on the results of one period as an indication of future performance.

After being profitable in 2004 and 2005, Limelight was unprofitable in 2006, 2007 and 2008 primarily due to increased stock-based compensation expense and litigation costs, which could affect its ability to achieve and maintain profitability in the future.

Limelight s adoption of ASC 718 (formerly FAS 123R) in 2006 substantially increased the amount of share-based compensation expense Limelight records and has had a significant impact on its results of operations. After being profitable in 2004 and 2005, Limelight was unprofitable in 2006, 2007 and 2008 partially due to an increase in its share-based compensation expense which increased from $0.1 million in 2005 to $9.2 million in 2006, to $18.9 million in 2007 to $18.1 million in 2008, and to $17.5 million in 2009. This increase in share-based compensation expense reflects an increase in the level of stock options, restricted stock and restricted stock units (RSUs) grants. Limelight s unrecognized share-based compensation expense totaled $26.1 million at December 31, 2009, of which Limelight expects to amortize $14.2 million during 2010, $8.2 million in 2011 and the remainder thereafter based upon the scheduled vesting of the options, restricted stock and RSUs outstanding at that time. Limelight further expects its share-based compensation expense to decrease in 2010 from 2008 and 2009 levels, and potentially to increase thereafter as it grants additional options or restricted stock awards including options and restricted stock units to be granted to EyeWonder continuing employees in connection with the merger. The increased share-based compensation expense could adversely affect its ability to achieve and maintain profitability in the future. In 2006, Limelight was sued by Akamai and MIT alleging infringement of certain patents. In December 2007, Limelight was sued by Level 3 Communications alleging infringement of certain patents. Limelight has incurred, and will continue to incur, significant costs associated with litigation. These costs were $3.1 million, $7.3 million and $20.8 million, respectively, in 2006, 2007 and 2008, respectively. For the year ended December 31, 2009, Limelight incurred $5.4 million in litigation costs. Limelight expects these costs will continue to be significant during 2010.

Limelight generates its revenue almost entirely from the sale of CDN services, and the failure of the market for these services to expand as Limelight expects or the reduction in spending on those services by Limelight s current or potential customers would seriously harm its business.

While Limelight offers its customers a number of services associated with its CDN, it generated the majority of its revenue in 2006, 2007, 2008 and 2009 from charging its customers for the content delivered on the customers behalf through its CDN. As Limelight does not currently have other meaningful sources of revenue, Limelight is subject to an elevated risk of reduced demand for these services. Furthermore, if the market for delivery of rich media content in particular does not continue to grow as Limelight expects or grows more slowly, then Limelight may fail to achieve a return on the significant investment it is making to prepare for this growth. Limelight s success, therefore, depends on the continued and increasing reliance on the Internet for delivery of media content and its ability to cost-effectively deliver these services. Factors that may have a general tendency to limit or reduce the number of users relying on the Internet for media content or the number of providers making this content available online include a general decline in Internet usage, litigation involving Limelight s customers and third-party restrictions on online content, including copyright restrictions, digital rights management and restrictions in certain geographic regions, as well as a significant increase in the quality or fidelity of offline media content beyond that available online to the point where users prefer the offline experience. The influence of any of these factors may cause Limelight s current or potential customers to reduce their spending on CDN services, which would seriously harm its operating results and financial condition.

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Many of Limelight s significant current and potential customers are pursuing emerging or unproven business models which, if unsuccessful, could lead to a substantial decline in demand for its CDN services.

Because the proliferation of broadband Internet connections and the subsequent monetization of content libraries for distribution to Internet users are relatively recent phenomena, many of Limelight s customers business models that center on the delivery of rich media and other content to users remain unproven. For example, social media companies have been among Limelight s top recent customers and are pursuing emerging strategies for monetizing the user content and traffic on their web sites. Limelight s customers will not continue to purchase its CDN services if their investment in providing access to the media stored on or deliverable through its CDN does not generate a sufficient return on their investment. A reduction in spending on CDN services by Limelight s current or potential customers would seriously harm its operating results and financial condition.

Limelight s business will be adversely affected if it is unable to protect its intellectual property rights from unauthorized use or infringement by third parties.

Limelight relies on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect its intellectual property rights. These legal protections afford only limited protection, and Limelight has only one currently issued patent. Monitoring infringement of Limelight s intellectual property rights is difficult, and Limelight cannot be certain that the steps it has taken will prevent unauthorized use of its intellectual property rights. Limelight has applied for patent protection in a number of foreign countries, but the laws in these jurisdictions may not protect Limelight s proprietary rights as fully as in the United States. Furthermore, Limelight cannot be certain that any pending or future patent applications will be granted, that any future patent will not be challenged, invalidated or circumvented, or that rights granted under any patent that may be issued will provide competitive advantages to Limelight.

Any unplanned interruption in the functioning of Limelight s network or services could lead to significant costs and disruptions that could reduce its revenue and harm its business, financial results and reputation.

Limelight s business is dependent on providing its customers with fast, efficient and reliable distribution of application and content delivery services over the Internet. Many of Limelight s customers depend primarily or exclusively on its services to operate their businesses. Consequently, any disruption of Limelight s services could have a material impact on its customers businesses. Limelight s network or services could be disrupted by numerous events, including natural disasters, failure or refusal of its third-party network providers to provide the necessary capacity, failure of Limelight s software or CDN delivery infrastructure and power losses. In addition, Limelight deploys its servers in approximately 72 third-party co-location facilities, and these third-party co-location providers could experience system outages or other disruptions that could constrain Limelight s ability to deliver its services. Limelight may also experience disruptions caused by software viruses or other attacks by unauthorized users.

While Limelight has not experienced any significant, unplanned disruption of its services to date, its CDN may fail in the future. Despite Limelight s significant infrastructure investments, it may have insufficient communications and server capacity to address these or other disruptions, which could result in interruptions in its services. Any widespread interruption of the functioning of Limelight s CDN and related services for any reason would reduce its revenue and could harm its business and financial results. If such a widespread interruption occurred or if Limelight failed to deliver content to users as expected during a high-profile media event, game release or other well-publicized circumstance, its reputation could be damaged severely. Moreover, any disruptions could undermine confidence in Limelight s services and cause it to lose customers or make it more difficult to attract new ones, either of which could harm its business and results of operations.

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Limelight may have difficulty scaling and adapting its existing architecture to accommodate increased traffic and technology advances or changing business requirements, which could lead to the loss of customers and cause Limelight to incur unexpected expenses to make network improvements.

Limelight s CDN services are highly complex and are designed to be deployed in and across numerous large and complex networks. Limelight s network infrastructure has to perform well and be reliable for Limelight to be successful. The greater the user traffic and the greater the complexity of Limelight s products and services, the more resources Limelight will need to invest in additional infrastructure and support. Further, as a result of the adverse jury verdict in February 2008 in the Akamai Technologies, Inc. v. Limelight Networks, Inc. lawsuit, which verdict was overturned by the court s April 24, 2009 order granting Limelight s motion for judgment as a matter of law, Limelight made significant investment in designing and implementing changes to its CDN architecture in order to implement its CDN services in a manner it believes does not infringe the claims of Akamai s 703 patent as alleged in the February 2008 trial. Limelight has spent and expects to continue to spend substantial amounts on the purchase and lease of equipment and data centers and the upgrade of its technology and network infrastructure to handle increased traffic over its network, implement changes to its CDN architecture and to roll out new products and services. This expansion is expensive and complex and could result in inefficiencies, operational failures or defects in Limelight s network and related software. If Limelight does not implement such changes or expand successfully, or if it experiences inefficiencies and operational failures, the quality of its products and services and user experience could decline. From time to time, Limelight has needed to correct errors and defects in its software or in other aspects of its CDN. In the future, there may be additional errors and defects that may harm Limelight s ability to deliver its services, including errors and defects originating with third party networks or software on which it relies. These occurrences could damage Limelight s reputation and lead it to lose current and potential customers. Limelight must continuously upgrade its infrastructure in order to keep pace with its customers evolving demands. Cost increases or the failure to accommodate increased traffic or these evolving business demands without disruption could harm Limelight s operating results and financial condition.

Limelight s operations are dependent in part upon communications capacity provided by third-party telecommunications providers. A material disruption of the communications capacity Limelight has leased could harm its results of operations, reputation and customer relations.

Limelight leases private line capacity for its backbone from a third party provider, Global Crossing Ltd. Limelight s contracts for private line capacity with Global Crossing generally have terms of three to four years. In January and September 2009, Limelight amended its agreement with Global Crossing to enhance the private line capacity for its backbone. The communications capacity Limelight has leased may become unavailable for a variety of reasons, such as physical interruption, technical difficulties, contractual disputes, or the financial health of Limelight s third party provider. As it would be time consuming and expensive to identify and obtain alternative third-party connectivity, Limelight is dependent on Global Crossing in the near term. Financial failure of Global Crossing could jeopardize utilization of the service fees pre-paid by Limelight under its agreement with Global Crossing. Additionally, as Limelight grows, it anticipates requiring greater private line capacity than it currently has in place. If Limelight is unable to obtain such capacity on terms commercially acceptable to it or at all, its business and financial results would suffer. Limelight may not be able to deploy on a timely basis enough network capacity to meet the needs of its customer base or effectively manage demand for its services.

Limelight s business depends on continued and unimpeded access to third-party controlled end-user access networks.

Limelight s content delivery services depend on its ability to access certain end-user access networks in order to complete the delivery of rich media and other online content to end-users. Some operators of these networks may take measures, such as the deployment of a variety of filters, that could degrade, disrupt or increase the cost of Limelight s or its customers access to certain of these end-user access networks by restricting or prohibiting the use of their networks to support or facilitate Limelight s services, or by charging

increased fees to Limelight, its customers or end-users in connection with its services. This or other types of interference could result in a loss of existing customers, increased costs and impairment of Limelight s ability to attract new customers, thereby harming its revenue and growth.

In addition, the performance of Limelight s infrastructure depends in part on the direct connection of its CDN to a large number of end-user access networks, known as peering, which it achieves through mutually beneficial cooperation with these networks. If in the future a significant percentage of these network operators elected to no longer peer with Limelight s CDN, the performance of its infrastructure could be diminished, and its business could suffer.

If Limelight s ability to deliver media files in popular proprietary content formats was restricted or became cost-prohibitive, demand for its content delivery services could decline, it could lose customers and its financial results could suffer.

Limelight s business depends on its ability to deliver media content in all major formats. If Limelight s legal right or technical ability to store and deliver content in one or more popular proprietary content formats, such as Adobe Flash or Windows Media, was limited, its ability to serve its customers in these formats would be impaired and the demand for its content delivery services would decline by customers using these formats. Owners of propriety content formats may be able to block, restrict or impose fees or other costs on its use of such formats, which could lead to additional expenses for Limelight and for its customers, or which could prevent its delivery of this type of content altogether. Such interference could result in a loss of existing customers, increased costs and impairment of Limelight s ability to attract new customers, which would harm its revenue, operating results and growth.

As part of its business strategy, Limelight may acquire additional businesses or technologies and it may have difficulty integrating these operations.

Limelight may seek to acquire additional businesses or technologies that are complementary to its business. Acquisitions involve a number of risks to Limelight s business, including the difficulty of integrating the operations and personnel of the acquired companies, the potential disruption of Limelight s ongoing business, the potential distraction of management, expenses related to the acquisition and potential unknown liabilities associated with acquired businesses. Any inability to integrate operations or personnel in an efficient and timely manner could harm Limelight s results of operations. Limelight has little prior experience as a company in this complex process of acquiring and integrating businesses. If Limelight is not successful in completing acquisitions that it may pursue in the future, it may be required to reevaluate its business strategy, and it may incur substantial expenses and devote significant management time and resources without a productive result. In addition, future acquisitions will require the use of Limelight s available cash or dilutive issuances of securities. Future acquisitions or attempted acquisitions could also harm Limelight s ability to achieve profitability. Limelight may also experience significant turnover from the acquired operations or from its current operations as it integrates businesses.

If Limelight is unable to retain its key employees and hire qualified sales and technical personnel, its ability to compete could be harmed.

Limelight s future success depends upon the continued services of its executive officers and other key technology, sales, marketing and support personnel who have critical industry experience and relationships that they rely on in implementing Limelight s business plan. In particular, Limelight is dependent on the services of its Chief Executive Officer, Jeffrey W. Lunsford and also its Chief Technical Officer, Nathan F. Raciborski. Neither of these officers nor any of Limelight s other key employees, are bound by an employment agreement for any specific term. There is increasing competition for talented individuals with the specialized knowledge to deliver content delivery services and this competition affects Limelight s ability to retain key employees and hire new ones. The loss of the services of any of Limelight s key employees could disrupt its operations, delay the development and introduction of its services, and negatively impact its ability to sell its services.

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Limelight faces risks associated with international operations that could harm its business.

Limelight has operations, equipment and personnel in the United States, France, Germany, the Netherlands, Japan, Singapore and the United Kingdom, and it currently maintains network equipment in Australia, Canada, Hong Kong, Ireland, South Korea, Sweden, Italy and Spain. As part of Limelight s growth strategy, it intends to expand its sales and support organizations internationally, as well as to further expand its international network infrastructure. Limelight has limited experience in providing its services internationally and such expansion could require it to make significant expenditures, including the hiring of local employees, in advance of generating any revenue. As a consequence, Limelight may fail to achieve profitable operations that will compensate its investment in international locations. Limelight is subject to a number of risks associated with international business activities that may increase its costs, lengthen its sales cycle and require significant management attention.

These risks include:

- increased expenses associated with sales and marketing, deploying services and maintaining Limelight s infrastructure in foreign countries;
- competition from local content delivery service providers, many of which are very well positioned within their local markets;
- unexpected changes in regulatory requirements preventing Limelight from operating its CDN or resulting in unanticipated costs and delays;
- interpretations of laws or regulations that would subject Limelight to regulatory supervision or, in the alternative, require it to exit a country, which could have a negative impact on the quality of its services or its results of operations;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- corporate and personal liability for violations of local laws and regulations;
- currency exchange rate fluctuations; and
- potentially adverse tax consequences.

Internet-related and other laws relating to taxation issues, privacy and consumer protection and liability for content distributed over Limelight s network, could harm its business.

Laws and regulations that apply to communications and commerce conducted over the Internet are becoming more prevalent, both in the United States and internationally, and may impose additional burdens on companies conducting business online or providing Internet-related services such as Limelight s. Increased regulation could negatively affect Limelight s business directly, as well as the businesses of its customers, which could reduce their demand for Limelight s services. For example, tax authorities abroad may impose taxes on the Internet-related revenue Limelight generates based on where its internationally deployed servers are located. In addition, domestic and international taxation laws are subject to change. Limelight s services, or the businesses of its customers, may become subject to increased taxation, which could harm its financial results either directly or by forcing its customers to scale back their operations and use of its services in order to maintain their operations. In addition, the laws relating to the liability of private network operators for information carried on or disseminated through their networks are unsettled, both in the United States and abroad. Network operators have been sued in the past, sometimes successfully, based on the content of material disseminated through their networks. Limelight may become subject to legal claims such as defamation, invasion of privacy and copyright

infringement in connection with content stored on or distributed through its network. In addition, Limelight s reputation could suffer as a result of its perceived association with the type of content that some of its customers deliver. If Limelight needs to take costly measures to reduce its exposure to these risks, or is required to defend itself against such claims, its financial results could be negatively affected.

Several other federal laws also could expose Limelight to liability and impose significant additional costs on it. For example, the Digital Millennium Copyright Act has provisions that limit, but do not eliminate, Limelight s liability for the delivery of customer content that infringe copyrights or other rights, so long as Limelight complies with the statutory requirements of the Act. In addition, the Children s Online Privacy Protection Act restricts the ability of online services to collect information from minors and the Protection of Children from Sexual Predators Act of 1998 requires online service providers to report evidence of violations of federal child pornography laws under certain circumstances. Compliance with these laws and regulations is complex and any failure on Limelight s part to comply with these regulations may subject it to additional liabilities.

If Limelight is required to seek additional funding, such funding may not be available on acceptable terms or at all.

Limelight may need to obtain additional funding due to a number of factors beyond its control, including a shortfall in revenue, increased expenses, final adverse judgments in litigation matters, increased investment in capital equipment or the acquisition of significant businesses or technologies. For example, Limelight will use approximately $62 million in connection with the EyeWonder acquisition, which represents approximately 40% of its cash, cash equivalents and marketable securities classified as current as of December 31, 2009. Limelight believes that its cash, cash equivalents and marketable securities classified as current plus cash from operations will be sufficient to fund its operations and proposed capital expenditures for at least the next 12 months. However, Limelight may need funding before such time. If Limelight does need to obtain funding, it may not be available on commercially reasonable terms or at all. If Limelight is unable to obtain sufficient funding, its business would be harmed. Even if Limelight were able to find outside funding sources, it might be required to issue securities in a transaction that could be highly dilutive to its investors or it may be required to issue securities with greater rights than the securities it has outstanding today. Limelight might also be required to take other actions that could lessen the value of its common stock, including borrowing money on terms that are not favorable to it. If Limelight is unable to generate or raise capital that is sufficient to fund its operations, it may be required to curtail operations, reduce its capabilities or cease operations in certain jurisdictions or completely.

Limelight s business requires the continued development of effective business support systems to support its customer growth and related services.

The growth of Limelight s business depends on its ability to continue to develop effective business support systems. This is a complicated undertaking requiring significant resources and expertise. Business support systems are needed for:

- implementing customer orders for services;
- delivering these services; and
- timely billing for these services.

Because Limelight s business plan provides for continued growth in the number of customers that it serves and services offered, there is a need to continue to develop its business support systems on a schedule sufficient to meet proposed service rollout dates. The failure to continue to develop effective business support systems could harm Limelight s ability to implement its business plans and meet its financial goals and objectives.

Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect Limelight s reported results of operations.

A change in accounting standards or practices can have a significant effect on Limelight s operating results and may affect its reporting of transactions completed before the change is effective. New accounting pronouncements and varying interpretations of existing accounting pronouncements have occurred and may occur in the future. Changes to existing rules or the questioning of current practices may adversely affect Limelight s reported financial results or the way it conducts its business. For example, Limelight s adoption of ASC 718 (formerly FAS 123R) in 2006 has increased the amount of stock-based compensation expense it records. This, in turn, has impacted Limelight s results of operations for the periods since this adoption and has made it more difficult to evaluate its recent financial results relative to prior periods.

Limelight has incurred, and will continue to incur significantly increased costs as a result of operating as a public company, and its management is required to devote substantial time to compliance initiatives.

As a public company, Limelight has incurred, and will continue to incur, significant accounting and other expenses that it did not incur as a private company. These expenses include increased accounting, legal and other professional fees, insurance premiums, investor relations costs, and costs associated with compensating Limelight s independent directors. In addition, the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the Securities and Exchange Commission and the Nasdaq Global Market, imposes additional requirements on public companies, including requiring changes in corporate governance practices. For example, the listing requirements of the Nasdaq Global Market require that Limelight satisfies certain corporate governance requirements relating to independent directors, audit committees, distribution of annual and interim reports, stockholder meetings, stockholder approvals, solicitation of proxies, conflicts of interest, stockholder voting rights and codes of conduct. Limelight s management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased Limelight s legal and financial compliance costs and make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for Limelight to obtain director and officer liability insurance. These rules and regulations could also make it more difficult for Limelight to identify and retain qualified persons to serve on its board of directors, its board committees or as executive officers.

Failure to effectively expand Limelight s sales and marketing capabilities could harm its ability to increase its customer base and achieve broader market acceptance of its services.

Increasing Limelight s customer base and achieving broader market acceptance of its services will depend to a significant extent on its ability to expand its sales and marketing operations. Historically, Limelight has concentrated its sales force at its headquarters in Tempe, Arizona. However, Limelight has recently begun building a field sales force to augment its sales efforts and to bring its sales personnel closer to its current and potential customers. Developing such a field sales force has been and will continue to be expensive and Limelight has limited knowledge in developing and operating a widely dispersed sales force. As a result, Limelight may not be successful in developing an effective sales force, which could cause its results of operations to suffer.

Limelight believes that there is significant competition for both inside and direct sales personnel with the sales skills and technical knowledge that it requires. Limelight s ability to achieve significant growth in revenue in the future will depend, in large part, on its success in recruiting, training and retaining sufficient numbers of inside and direct sales personnel. Limelight has expanded its sales and marketing personnel from a total of 13 at December 31, 2004 to 121 at December 31, 2007, to 140 at December 31, 2009. In addition, as of December 31, 2009, EyeWonder had approximately 59 sales and marketing personnel. New hires require significant training and, in most cases, take a significant period of time before they achieve full productivity. Limelight s recent hires and planned hires, including EyeWonder personnel, may not become as productive as Limelight would like, and Limelight may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets

where it does business. Limelight s business will be seriously harmed if these expansion efforts do not generate a corresponding significant increase in revenue.

If the estimates Limelight makes, and the assumptions on which it relies, in preparing its financial statements prove inaccurate, its actual results may be adversely affected.

Limelight s financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires Limelight to make estimates and judgments about, among other things, taxes, revenue recognition, share-based compensation costs, contingent obligations and doubtful accounts. These estimates and judgments affect the reported amounts of Limelight s assets, liabilities, revenue and expenses, the amounts of charges accrued by it, and related disclosure of contingent assets and liabilities. Limelight bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances and at the time they are made. If Limelight s estimates or the assumptions underlying them are not correct, it may need to accrue additional charges or reduce the value of assets that could adversely affect Limelight s results of operations, investors may lose confidence in its ability to manage its business and its stock price could decline.

Risks Related to Ownership of Limelight s Common Stock

Limelight s limited operating history makes evaluating its business and future prospects difficult, and may increase the risk of your investment.

Limelight has only been in existence since 2001. A significant amount of Limelight s growth, in terms of employees, operations and revenue, has occurred since 2004. For example, Limelight s revenue has grown from $5.0 million in 2003 to $65.2 million in 2006 to $131.7 million in 2009. As a consequence, Limelight has a limited operating history which makes it difficult to evaluate its business and its future prospects. Limelight has encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, such as the risks described in this proxy statement/prospectus. If Limelight does not address these risks successfully, its business will be harmed.

The trading price of Limelight s common stock has been, and is likely to continue to be, volatile.

The trading prices of Limelight s common stock and the securities of technology companies generally have been highly volatile. Factors affecting the trading price of Limelight s common stock will include:

- variations in its operating results;
- announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by Limelight or by its competitors;
- commencement or resolution of Limelight s involvement in, and uncertainties arising from, litigation, particularly its current litigation with Akamai and MIT, Level 3 Communications, and its securities litigation matter;
- recruitment or departure of key personnel;
- changes in the estimates of Limelight s operating results or changes in recommendations by any securities analysts that elect to follow its common stock;
- developments or disputes concerning its intellectual property or other proprietary rights;

the gain or loss of significant customers;

- market conditions in Limelight s industry, the industries of its customers and the economy as a whole; and

- adoption or modification of regulations, policies, procedures or programs applicable to Limelight s business.

In addition, if the market for technology stocks or the stock market in general experiences loss of investor confidence, the trading price of Limelight s common stock could decline for reasons unrelated to its business, operating results or financial condition. The trading price of Limelight s common stock might also decline in reaction to events that affect other companies in its industry even if these events do not directly affect Limelight.

If securities or industry analysts do not publish research or reports about Limelight s business or if they issue an adverse or misleading opinion or report, its stock price and trading volume could decline.

The trading market for Limelight s common stock will be influenced by the research and reports that industry or securities analysts publish about it or its business. If any of the analysts who cover Limelight issue an adverse or misleading opinion regarding its stock, its stock price would likely decline. If one or more of these analysts cease coverage of Limelight or fail to publish reports on Limelight regularly, Limelight could lose visibility in the financial markets, which in turn could cause Limelight s stock price or trading volume to decline.

Insiders have substantial control over Limelight and will be able to influence corporate matters.

As of December 31, 2009, Limelight s directors and executive officers and their affiliates beneficially owned, in the aggregate, approximately 52% of Limelight s outstanding common stock, including approximately 36% beneficially owned by investment entities affiliated with Goldman, Sachs & Co. Immediately after giving effect to the acquisition of EyeWonder and based on the shares outstanding as of December 31, 2009, these directors and executive officers will own 45% of Limelight s outstanding stock and investment entities affiliated with Goldman, Sachs & Co. will own 31%. Even after the acquisition, these stockholders will be able to exercise significant influence over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of Limelight or its assets. This concentration of ownership could limit other stockholders ability to influence corporate matters and may have the effect of delaying or preventing a third party from acquiring control over Limelight.

Anti-takeover provisions in Limelight s charter documents and Delaware law could discourage, delay or prevent a change in control of Limelight and may affect the trading price of its common stock.

Limelight is a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting it from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change in control would be beneficial to its existing stockholders. In addition, Limelight s certificate of incorporation and bylaws may discourage, delay or prevent a change in its management or control over it that stockholders may consider favorable. Limelight s certificate of incorporation and bylaws:

- authorize the issuance of blank check preferred stock that could be issued by its board of directors to thwart a takeover attempt;

- provide for a classified board of directors, as a result of which the successors to the directors whose terms have expired will be elected to serve from the time of election and qualification until the third annual meeting following their election;

- require that directors only be removed from office for cause and only upon a majority stockholder vote;

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- provide that vacancies on the board of directors, including newly created directorships, may be filled only by a majority vote of directors then in office;

- limit who may call special meetings of stockholders;

- prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders; and

- require supermajority stockholder voting to effect certain amendments to Limelight s certificate of incorporation and bylaws.

Risks Relating to EyeWonder

EyeWonder faces significant and increasing competition, including from Google and Microsoft, and EyeWonder may not be able to compete successfully with such powerful competitors.

EyeWonder faces formidable competition in every aspect of its business from other companies that provide solutions and services similar to those offered by EyeWonder. Currently, EyeWonder s primary competitors are DoubleClick, Eyeblaster, Pointroll a subsidiary of Gannett and Atlas. DoubleClick is owned by Google and Atlas is part of the Microsoft Advertising portfolio. DoubleClick and Atlas offer solutions and services similar to those offered by EyeWonder and compete directly with EyeWonder. EyeWonder expects that Google and Microsoft will use their substantial financial and engineering resources to expand the DoubleClick and Atlas businesses and increase their ability to compete with EyeWonder.

Google and Microsoft have significantly greater name recognition and greater financial, technical and marketing resources than EyeWonder. Microsoft also has a longer operating history and more established relationships with customers. In addition, EyeWonder believes that both Google and Microsoft have a greater ability to attract and retain customers due to numerous competitive advantages, including their ability to offer and provide their marketing and advertising customers with a significantly broader range of related solutions and services than EyeWonder. Google and Microsoft also may use their experience and resources to compete with EyeWonder in a variety of ways, including through acquisitions of competitors or related businesses, research and development, and marketing for new customers more aggressively. Furthermore, Google or Microsoft could use campaign management solutions as a loss leader or may provide campaign management solutions or portions of such solutions without charge or below cost in order to encourage customers to use their other product offerings. If Google or Microsoft is successful in providing solutions or services that are better than those offered by EyeWonder, leverage platforms more effectively than EyeWonder or are perceived by customers as being more cost-effective, EyeWonder could experience a significant decline in its customer base and in their use of EyeWonder s solutions and services. Such a decline could have a material adverse effect on EyeWonder s business, financial condition and results of operations.

EyeWonder also faces significant competition from rich-media solutions companies such as Unicast (a DG FastChannel company) and UK-based Flashtalking, as well as ad serving companies such as Zedo and CheckM8. In addition, EyeWonder may experience competition from companies that provide web analytics or web intelligence. Other companies, such as Yahoo!, also are developing campaign management solutions. EyeWonder s competitors may develop services that are equal or superior to EyeWonder s services or that achieve greater market acceptance than EyeWonder s services. Many of EyeWonder s competitors have longer operating histories, greater name recognition, larger client bases and significantly greater financial, technical and marketing resources than EyeWonder. In addition, many of EyeWonder s current and potential competitors have established or may establish cooperative relationships among themselves or with third parties and several competitors have combined or may combine in the future with larger companies with greater resources than EyeWonder has. Any increase in the level of competition from these, or any other competitors, is likely to result in price reductions, reduced margins, loss of market share and a potential decline in EyeWonder s revenues or

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adversely affect its results of operations. EyeWonder cannot assure that it will be able to compete successfully with its existing or future competitors.

Advertisers may not find Internet advertising effective and may reduce their allocations of advertisement spending on Internet campaigns.

Most large advertisers have fixed advertising budgets, a very small portion of which is allocated to Internet advertising. EyeWonder expects that large advertisers will continue to focus most of their advertising efforts on traditional media. Advertisers, including current and potential customers, may also find Internet advertising or marketing to be less effective than traditional media advertising or marketing methods for promoting their products and services, and therefore may decrease the portion of their budget allocated to Internet advertising or may shift their advertising away from the Internet. Even if Internet advertising increases in the aggregate, if display advertising does not increase, the market for EyeWonder s products and services may not continue to be viable and EyeWonder s revenues may decrease. If EyeWonder fails to convince these companies to spend a portion of their advertising budgets with EyeWonder to advertise online, or if EyeWonder s existing advertisers reduce the amount they spend on its services, EyeWonder s business, financial condition or results of operations could be materially adversely affected.

EyeWonder may be adversely affected by cyclicality or an extended downturn in the United States or worldwide economy in or related to the industries it serves.

EyeWonder s revenues are generated primarily from providing online campaign management solutions and services to advertising agencies and advertisers across digital media channels and a variety of formats. Demand for these services tends to be tied to economic cycles, reflecting overall economic conditions as well as budgeting and buying patterns. Following the recent negative developments in the world economy, several agency and analyst organizations now predict that the growth in online advertising will be slower than previously expected. EyeWonder cannot assure you that advertising budgets and expenditures by advertising agencies and advertisers will not decline in any given period or that advertising spending will not be diverted to more traditional media or other online marketing products and services, which would lead to a decline in the demand for EyeWonder s campaign management solutions and services. A decline in the economic prospects of advertisers or the economy in general could alter current or prospective customers spending priorities. As a result, EyeWonder s revenues may not increase or may decline significantly in any given period.

The loss of a major customer or a reduction in any such customer s Internet advertising or marketing budget could significantly reduce EyeWonder s revenue and profitability.

Advertisements served for EyeWonder s top 20 advertiser clients during the year ended December 31, 2009 accounted for 42% of EyeWonder s revenues for that period. If one or more of these major advertisers (or their agencies) decides not to continue purchasing services from EyeWonder or significantly reduces its spending on EyeWonder services, EyeWonder may not be able to make up the lost revenue.

Consolidation of Internet advertising networks, web portals, Internet search engine sites and web publishers may impair EyeWonder s ability to serve advertisements and to collect campaign data, and could lead to a loss of significant customers.

The growing trend of consolidation of Internet advertising networks, web portals, Internet search engine sites and web publishers, and increasing industry presence of a small number of large companies, such as Google and Microsoft, could harm EyeWonder s business. EyeWonder currently is able to serve, track and manage advertisements for its customers in a variety of networks and websites. Concentration of advertising networks or any disruption in our relationship with our publishers could substantially impair EyeWonder s ability to serve advertisements if networks or websites decide not to permit it to serve, track or manage advertisements on their websites, if publishers develop ad placement systems that are not compatible with EyeWonder s systems, or if

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they use their market power to force their customers to use certain vendors on their networks or websites. These networks or websites also could prohibit or limit EyeWonder s aggregation of advertising campaign data if they use technology that is not compatible with EyeWonder s technology. In addition, concentration of desirable advertising space in a small number of networks and websites could result in pricing pressures and diminish the value of EyeWonder s advertising campaign data, as the value of this data depends to some degree on the continuous aggregation of data from advertising campaigns on a variety of different advertising networks and websites. Additionally, major networks and publishers can terminate EyeWonder s ability to serve advertisements on their properties on short notice. If it is no longer able to serve, track and manage advertisements on a variety of networks and websites, EyeWonder s offerings will be significantly impacted.

The market for Internet advertising or marketing may deteriorate, or develop more slowly than expected, which could have a material adverse affect on EyeWonder s business, financial condition or results of operations.

If the market for Internet advertising or marketing deteriorates, or develops more slowly than EyeWonder expects, its business could suffer. EyeWonder s future success depends highly on an increase in the use of the Internet, the commitment of advertisers and advertising agencies to the Internet as an advertising and marketing medium, the advertisers implementation of advertising campaigns, and the willingness of current or potential customers to outsource their Internet advertising and marketing needs. The market for Internet advertising and marketing is relatively new and rapidly evolving. As a result, demand and market acceptance for Internet advertising solutions and services is uncertain.

If EyeWonder does not continue to innovate and provide high quality solutions and services, it may not remain competitive.

EyeWonder s success depends on providing high quality solutions and services that make online campaign management easier and more efficient for its customers. EyeWonder s competitors are constantly developing innovations in online advertising and campaign management. If EyeWonder is unable to predict user preferences or industry changes, or if it is unable to modify its solutions and services on a timely basis, and as a result is unable to provide quality solutions and services that run without complication or service interruptions, its customers may become dissatisfied and it may lose customers to its competitors and its reputation in the industry may suffer, making it difficult to attract new customers. EyeWonder s operating results also would suffer if its innovations are not responsive to customers needs, are not appropriately timed with market opportunity or are not effectively brought to market. As online advertising and campaign management technologies continue to develop, EyeWonder s competitors may be able to offer solutions that are, or are perceived to be, substantially similar or better than those offered by EyeWonder. As a result, EyeWonder must continue to invest significant resources in research and development in order to enhance its technology and its existing solutions and services, and introduce new high-quality solutions and services. If these research and development efforts do not lead to innovative solutions and services, EyeWonder s business will suffer and its ability to generate increased revenue will be significantly affected.

EyeWonder s business depends on a strong brand reputation, and if it is not able to maintain and enhance its brand, EyeWonder s business will suffer.

EyeWonder believes that maintaining and enhancing the EyeWonder brand is critical to expanding its base of customers and maintaining brand loyalty among customers, particularly in North America where brand perception can impact the competitive position in other markets worldwide, and that the importance of brand recognition will increase due to the growing number of competitors providing similar services and solutions. Maintaining and enhancing its brand may require EyeWonder to make substantial investments in research and development and in the marketing of its solutions and services, and these investments may not be successful. If EyeWonder fails to promote and maintain the EyeWonder brand, or if it incurs excessive expenses in this effort, EyeWonder s business and results of operations could be adversely impacted. EyeWonder anticipates that,

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as its market becomes increasingly competitive, maintaining and enhancing its brand may become increasingly difficult and expensive. Maintaining and enhancing its brand will depend largely on EyeWonder s ability to be a technology leader and to continue to provide high quality solutions and services, which it may not do successfully.

EyeWonder s operating results fluctuate and, as a result, its historical operating results may not be indicative of its future performance.

EyeWonder s operating results have historically fluctuated on a quarterly basis due to the seasonal nature of brand-oriented advertising on the Internet, and EyeWonder expects this fluctuation to continue. EyeWonder s fourth calendar quarter is typically the strongest, and its first quarter is often the weakest quarter. The increase in revenue in the fourth quarter is primarily the result of heavy advertising and online shopping during November and December due to the holidays. The drop in revenues in the first quarter is linked to the drop in online advertising and shopping that occurs at the beginning of each year. EyeWonder believes that cyclicality and seasonality may have a more pronounced effect on its operating results in the future, as EyeWonder s growth slows. EyeWonder s operating expenses are relatively fixed in the near term. As a result, EyeWonder cannot quickly react to changes in revenue and therefor, changes in revenue could lead to significant changes in EyeWonder s operating results. For these reasons, comparing EyeWonder s operating results on a period-to-period basis may not be meaningful, and you should not rely on past results as an indication of future performance.

New advertisement blocking technologies could limit or block the delivery or display of advertisements by EyeWonder s service offerings, which could undermine the viability of EyeWonder s business.

Advertisement blocking technologies, such as filter software programs, that can limit or block the delivery or display of advertisements delivered through EyeWonder s service offerings are currently available for Internet users and are continuing to be developed. If these technologies become widespread, the commercial viability of the current Internet advertisement model may be undermined. As a result, ad-blocking technology could, in the future, have a material adverse affect on EyeWonder s business, financial condition and results of operations.

More individuals are using non-personal computer devices to access the Internet, and the solutions developed for these devices may not be widely deployed.

The number of people who access the Internet through devices other than personal computers (PCs), including mobile devices, game consoles and television set-top devices, has increased dramatically in the past few years. The lower resolution, functionality and memory associated with alternative devices make the use of EyeWonder s service offerings through these devices more difficult and potentially less effective. If EyeWonder is unable to deliver its service offerings to a substantial number of alternative device users or if it is slow to develop services and technologies that are more compatible with non-PC Internet-enabled devices, EyeWonder will fail to capture a significant share of an increasingly important portion of the market. Such a failure could limit its ability to compete effectively in an industry that is rapidly growing and changing.

EyeWonder does not control third party content delivery services, data centers and others on whom it relies. If EyeWonder or its clients experience outages by these third party providers, EyeWonder s relationship with its clients and its reputation could suffer.

EyeWonder s business relies significantly on third-party vendors, such as data centers, content delivery services and bandwidth providers. For example, EyeWonder has entered into agreements to use third-parties, including Limelight and Akamai, to provide content delivery services to assist EyeWonder in serving advertisements. Akamai is a direct competitor of Limelight, so Limelight s acquisition of EyeWonder in the merger may have an adverse effect on EyeWonder s relationship with Akamai and its ability to continue to secure content delivery services from Akamai on favorable terms, if at all. If Akamai or other third-party vendors

fail to provide their services or if their services are no longer available to EyeWonder for any reason, and Limelight is not able to supply such services to EyeWonder or EyeWonder is not immediately able to find replacement providers, EyeWonder s business could be materially adversely affected.

Additionally, any disruption in network access or co-location services provided by these third-party providers or Limelight, or any failure of these third-party providers or Limelight to handle current or higher volumes of use, could significantly harm EyeWonder s business operations. If service is disrupted, EyeWonder may lose revenues directly related to the impressions it fails to serve and EyeWonder may, as a practical matter, be compelled to provide additional free or discounted services to affected clients. EyeWonder s reputation also may suffer in the event of a disruption. EyeWonder exercises very little control over these third-party vendors, which increases its vulnerability to problems with the services they provide.

EyeWonder licenses technologies from third-parties to facilitate aspects of its data center and connectivity operations including, among others, Internet traffic management services. EyeWonder has experienced and expects to continue to experience interruptions and delays in service and availability for such elements. Any errors, failures, interruptions or delays experienced in connection with these third-party technologies and information services could negatively impact EyeWonder s customer relationships and materially adversely affect its brand reputation and business, financial condition or results of operations, and expose EyeWonder to liabilities to third parties.

Data centers used by EyeWonder are vulnerable to natural disasters, terrorism and system failures that could significantly harm its business operations and lead to client dissatisfaction.

In delivering its services, EyeWonder depends on the operation of data centers, which are vulnerable to damage or interruption from earthquakes, terrorist attacks, war, floods, fires, power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm its system, and similar events. EyeWonder s insurance policies have limited coverage in such cases and may not fully compensate it for any loss. Some of EyeWonder s systems are not fully redundant, and its disaster recovery planning cannot account for all eventualities. The occurrence of a natural disaster, a terrorist attack, a provider s decision to close a facility EyeWonder is using without adequate notice or other unanticipated problems at data centers could result in lengthy interruptions in service. Any damage to or failure of EyeWonder s systems could result in interruptions in its service. Interruptions in EyeWonder s service could reduce its revenues and profits, and its brand reputation could be damaged if customers believe its system is unreliable, which could have a material adverse affect on EyeWonder s business, financial condition and results of operations.

EyeWonder has in the past experienced, and may in the future experience, system failures. Any unscheduled interruption in service puts a burden on EyeWonder s entire organization and would result in an immediate loss of revenue. If EyeWonder experiences frequent or persistent system failures, its reputation and brand could be permanently harmed. The steps EyeWonder has taken to increase the reliability and redundancy of its systems are expensive, reduce operating margin and may not be successful in reducing the frequency or duration of unscheduled downtime.

EyeWonder s business may be adversely affected by malicious third-party software applications that interfere with the function of its technology.

EyeWonder s business may be adversely affected by malicious software applications that make changes to Internet users computers and interfere with EyeWonder s technology. These applications may attempt to change the users experience in using EyeWonder s services, including altering or replacing advertisements delivered by EyeWonder s platform, changing configurations of EyeWonder s user interface, or otherwise interfering with EyeWonder s ability to deliver advertisements to users devices. The interference may occur without disclosure to or consent from users, resulting in a negative experience that users may associate with EyeWonder s services. If EyeWonder s efforts to combat these malicious software applications are unsuccessful, its reputation may be

harmed, and the communications with certain users on behalf of its customers could be impaired. This could result in a decline in usage of EyeWonder s services and corresponding revenues, which would have a material adverse effect on its business, financial condition and results of operations.

If EyeWonder fails to detect click-through fraud or other invalid clicks, it could lose the confidence of its advertisers, thereby causing its business to suffer.

EyeWonder is exposed to the risk of fraudulent clicks and other invalid clicks on advertisements delivered by EyeWonder from a variety of potential sources. Invalid clicks are clicks that EyeWonder has determined are not intended by the user to link to the underlying content, such as inadvertent clicks on the same ad twice and clicks resulting from click fraud. Click fraud occurs when a user intentionally clicks on an ad displayed on a web site for a reason other than to view the underlying content. These types of fraudulent activities could harm EyeWonder s business and brand. If fraudulent clicks are not detected, the data that EyeWonder s solutions provide to customers may be less reliable and the affected advertisers may lose confidence in EyeWonder s solutions to deliver a return on their investment. If advertisers become dissatisfied with EyeWonder s solutions, they may choose to do business with its competitors or reduce their Internet advertising spending.

Expansion into international markets is important to EyeWonder s long-term success, and its limited experience in operating outside the United States increases the risk that its international expansion efforts will not be successful.

EyeWonder has only limited experience with operations outside the United States. Expansion into new international markets requires additional management attention and resources to tailor EyeWonder s services to the unique aspects of each country. In addition, EyeWonder faces the following additional risks associated with its expansion into locations outside the United States:

- challenges caused by distance, language and cultural differences;
- longer payment cycles in some countries;
- credit risk and higher levels of payment fraud;
- legal and regulatory restrictions;
- currency exchange rate fluctuations;
- foreign exchange controls that might prevent EyeWonder from repatriating cash earned in countries outside the United States;
- political and economic instability and export restrictions;
- potentially adverse tax consequences; and
- higher costs associated with doing business internationally.

These risks could harm EyeWonder s international expansion efforts.

EyeWonder s inability to protect its intellectual property rights could reduce the value of its service offerings and brand or permit competitors to more easily compete with it.

EyeWonder s know-how and trade secrets related to the Internet advertising industry are an important aspect of its intellectual property rights. To protect its know-how and trade secrets, EyeWonder customarily

requires its employees, customers, and third party collaborators to execute confidentiality agreements or otherwise agree to keep EyeWonder s proprietary information confidential when their relationship with EyeWonder begins. Typically, EyeWonder s employment contracts also include clauses requiring employees to assign to EyeWonder all inventions and intellectual property rights they develop in the course of their employment and to agree not to disclose EyeWonder s confidential information. Despite EyeWonder s efforts, its know-how and trade secrets could be disclosed to third parties, which could cause EyeWonder to lose any competitive advantage resulting from such know-how or trade secrets.

From time to time, EyeWonder may discover that third parties are infringing or otherwise violating its intellectual property rights. Monitoring unauthorized use of intellectual property is difficult and protecting EyeWonder s intellectual property rights could be costly and time consuming. To protect its intellectual property rights, EyeWonder may become involved in litigation, which could result in substantial expenses, divert the attention of management, cause significant delays, materially disrupt the conduct of EyeWonder s business or adversely affect its revenue, financial condition and results of operations. EyeWonder may choose not to pursue patents or other protection for innovations that later turn out to be important or it may choose not to enforce its intellectual property rights. Some foreign laws do not protect intellectual property rights to the same extent as the law of the United States. If EyeWonder is unable to adequately protect its trademarks, third parties may use its brand names or trademarks similar to EyeWonder s in a manner that may cause confusion to EyeWonder s customers and confusion in the market, which could decrease the value of EyeWonder s brand. Any infringement of EyeWonder s intellectual property rights by third parties may eliminate any competitive advantage such intellectual property rights provide and harm its operating results.

EyeWonder has no issued patents and few trademark registrations. While EyeWonder plans to protect its intellectual property with, among other things, copyright, trade secret, patent and trademark protection, there can be no assurance that:

- current or future United States or foreign registrations of EyeWonder s intellectual property rights will be approved;
- EyeWonder s issued patents and trademark registrations will adequately protect the intellectual property rights EyeWonder uses in its business or that such patents and trademarks will not be held invalid or unenforceable if challenged by third parties;
- third parties do not have blocking patents that could be used to prevent EyeWonder from marketing its own patented products and practicing its own technology;
- EyeWonder will succeed in protecting its technology adequately in all key jurisdictions in which EyeWonder or its competitors operate; or
- others will not independently develop similar or competing products or methods or design around any patents that may be issued to EyeWonder.

Third parties may claim EyeWonder infringes on their intellectual property rights, forcing EyeWonder to expend substantial resources in resulting litigation, the outcome of which would be uncertain. Any unfavorable outcome of such litigation could be expensive and could prevent EyeWonder from operating part or all of its business.

Companies in the Internet advertising industry often enter into litigation based on allegations of infringement or other violations of intellectual property rights. From time to time EyeWonder has received and may in the future receive notices or inquiries from third parties regarding its services or the manner in which EyeWonder conducts its business suggesting that EyeWonder may be infringing or violating a patent, trademark or other intellectual property right. While EyeWonder currently is not party to any infringement proceedings with

respect to any patents or other intellectual property rights, or aware of any third parties planning to pursue such litigation, there can be no assurance that third parties will not pursue claims against EyeWonder alleging infringement of their intellectual property rights. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle, and will divert management resources and attention.

EyeWonder may not be successful in defending any third party infringement claims, and as a result of such claims, it may have to pay substantial damages or stop conducting business in the manner that is found to be in violation of such third party s rights. Further, EyeWonder may have to seek a license for such intellectual property, which may not be available on reasonable terms, or at all, and may significantly increase its operating expenses. As a result, EyeWonder may be required to develop alternative non-infringing technology, which could require significant effort and expense. If EyeWonder cannot license or develop technology for the infringing aspects of its business, it may be forced to limit its service offerings and may be unable to fulfill its obligations to its customers or to compete effectively.

In addition, many of EyeWonder s agreements with customers require EyeWonder to indemnify such customers for third-party intellectual property infringement claims against them. Pursuant to such agreements, EyeWonder may be required to defend such customers against certain claims which could cause it to incur additional significant costs. An adverse determination in any such proceeding could require that EyeWonder cease offering the solutions or services that are the subject of such of a determination, procure or develop substitute solutions or services for such customers and/or pay any damages these customers incur.

EyeWonder uses certain open-source software the use of which could result in EyeWonder having to distribute its proprietary software, including its source code, to third parties on unfavorable terms which could materially affect EyeWonder s business.

Certain of EyeWonder s service offerings use software that is subject to open-source licenses. Open-source code is software that is freely accessible, usable and modifiable. Certain open-source code is governed by license agreements, the terms of which could require users of such open-source code to make any derivative works of such open-source code available to others on unfavorable terms or at no cost. Because EyeWonder uses open-source code, EyeWonder may be required to take remedial action in order to protect its proprietary software. Such action could include replacing certain source code used in its software, discontinuing certain of its products or taking other actions that could divert resources away from its development efforts.

In addition, the terms relating to disclosure of derivative works in many open-source licenses are unclear. EyeWonder periodically reviews its compliance with the open-source licenses it uses and does not believe it will be required to make its proprietary software freely available. However, if a court interprets one or more such open-source licenses in a manner that is unfavorable to EyeWonder, it could be required to make its software available at no cost.

Uncertainty regarding a variety of United States and foreign laws may expose EyeWonder to liability and adversely affect its ability to offer its services.

The laws relating to the liability of providers of online services for activities of their customers and users are currently unsettled both within the United States and abroad. From time to time EyeWonder has received notices from individuals who do not want to be exposed to advertisements delivered by EyeWonder on behalf of EyeWonder s customers. If one of these complaints results in liability to EyeWonder, it could be costly, encourage similar lawsuits, distract management and harm EyeWonder s reputation and possibly its business. In addition, increased attention focused on these issues and legislative proposals could harm EyeWonder s reputation or otherwise negatively affect the growth of its business.

There also is uncertainty regarding the application to EyeWonder of existing laws regulating or requiring licenses for certain advertisers businesses, including, for example, distribution of pharmaceuticals, adult content,

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financial services, alcohol or firearms. Existing or new legislation could expose EyeWonder to substantial liability, restrict its ability to deliver services to its customers and post ads for various industries, limit its ability to grow and cause EyeWonder to incur significant expenses in order to comply with such laws and regulations.

Several other federal laws also could expose EyeWonder to liability and impose significant additional costs on it. For example, the Digital Millennium Copyright Act has provisions that limit, but do not eliminate, EyeWonder s liability for listing or linking to third-party web sites that include materials that infringe copyrights or other rights, so long as EyeWonder complies with the statutory requirements of the Act. In addition, the Children s Online Privacy Protection Act restricts the ability of online services to collect information from minors and the Protection of Children from Sexual Predators Act of 1998 requires online service providers to report evidence of violations of federal child pornography laws under certain circumstances. Compliance with these laws and regulations is complex and any failure on EyeWonder s part to comply with these regulations may subject it to additional liabilities.

Privacy concerns could lead to legislative and other limitations on EyeWonder s ability to collect usage data from Internet users, including limitations on EyeWonder s use of cookie or conversion tag technology and user profiling, which is crucial to its ability to provide services to its customers.

EyeWonder s ability to conduct targeted advertising campaigns and compile data that it uses to formulate campaign strategies for customers depends on the use of cookies and conversion tags to track Internet users and their online behavior, which allows EyeWonder to measure an advertising campaign s effectiveness and avoid repeatedly delivering the same ad to a particular user s device. A cookie is a small file of information stored on a user s computer that allows EyeWonder to recognize that user s browser when it serves advertisements. A conversion tag functions similarly to a banner advertisement, except that the conversion tag is not visible. EyeWonder s conversion tags may be placed on specific pages of clients of customers or prospective customers websites. Government authorities inside the United States concerned with the privacy of Internet users have suggested limiting or eliminating the use of cookies, conversion tags or user profiling. Bills aimed at regulating the collection and use of personal data from Internet users are currently pending in U.S. Congress and many state legislatures. Attempts at such regulation may be drafted in such a way as to limit or prohibit the use of technology like cookies and conversion tags, thereby creating restrictions that could reduce EyeWonder s ability to use them. In addition, the Federal Trade Commission and the Department of Commerce have conducted hearings regarding user profiling, the collection of non-personally identifiable information and online privacy.

EyeWonder s foreign operations may also be adversely affected by regulatory action outside the United States. For example, the European Union has adopted a directive addressing data privacy that limits the collection, disclosure and use of information regarding European Internet users. In addition, the European Union has enacted an electronic communications directive that imposes certain restrictions on the use of cookies and conversion tags and also places restrictions on the sending of unsolicited communications. Each European Union member country was required to enact legislation to comply with the provisions of the electronic communications directive by October 31, 2003 (though not all have done so). Germany has also enacted additional laws limiting the use of user profiling, and other countries, both in and out of the European Union, may impose similar limitations.

Internet users may directly limit or eliminate the placement of cookies on their computers by using third- party software that blocks cookies, or by disabling or restricting the cookie functions of their Internet browser software. Internet browser software upgrades also may result in limitations on the use of cookies or conversion tags. Technologies like the Platform for Privacy Preferences (P3P) Project may limit collection of cookie and conversion tag information. Plaintiffs attorneys also have organized class action suits against companies related to the use of cookies and several companies, including companies in the Internet advertising industry, have had claims brought against them before the Federal Trade Commission regarding the collection and use of Internet user information. EyeWonder may be subject to such suits in the future, which could limit or eliminate its ability to collect such information.

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If EyeWonder s ability to use cookies or conversion tags or engage in other user profiling were substantially restricted due to the foregoing, or for any other reason, it would have to generate and use other technology or methods that allow the gathering of user profile data in order to provide services to customers. This change in technology or methods could require significant reengineering time and resources, and may not be complete in time to avoid negative consequences to EyeWonder s business. In addition, alternative technology or methods might not be available on commercially reasonable terms, if at all. If the use of cookies and conversion tags are prohibited and EyeWonder is not able to efficiently and cost effectively create new technology, EyeWonder s business, financial condition and results of operations would be materially adversely affected. In addition, any compromise of security that results in the release of Internet users and/or EyeWonder s customers data could seriously limit the adoption of EyeWonder s service offerings as well as harm its reputation and brand, expose it to liability and subject it to reporting obligations under various state laws, which could have an adverse effect on EyeWonder s business. The risk that these types of events could seriously harm EyeWonder s business is likely to increase as the amount of data stored for customers on EyeWonder s servers (including personal information) and the number of countries where EyeWonder operates has been increasing, and EyeWonder may need to expend significant resources to protect against security breaches, which could have an adverse effect on its business, financial condition or results of operations.

The loss of key personnel or the inability to attract and retain the necessary qualified personnel could materially and adversely affect EyeWonder s business, financial condition or results of operations, or its ability to grow.

EyeWonder s future success depends in large part upon the continued service of key personnel and members of its senior management team. All of EyeWonder s executive officers and key personnel are employed at-will and EyeWonder does not maintain key-person life insurance policies for any members of its senior management team. The loss of key personnel or members of its management team could have a material adverse effect on EyeWonder s business, financial condition and results of operations.

EyeWonder s future success also will depend upon its ability to attract, retain and motivate highly skilled managerial, research, selling, marketing, information technology, software engineering and other technical personnel. Competition for qualified employees in EyeWonder s industry is intense and certain of EyeWonder s competitors have directly targeted its employees. If EyeWonder does not succeed in attracting excellent personnel or retaining or motivating existing personnel, it may be unable to grow effectively, which could have a material adverse effect on its business, financial condition and results of operations.

INFORMATION ABOUT THE COMPANIES

Limelight Networks, Inc.

Limelight is a provider of high-performance content delivery network services. Limelight delivers content for traditional and emerging media companies, or content providers, including businesses operating in the television, music, radio, newspaper, magazine, movie, videogame, software and social media industries as well as enterprises and government entities doing business online. Using Limelight s content delivery network, or CDN, content providers are able to provide their end-users with a high-quality media experience for rich media content including video, music, games, software and social media. As consumer demands for media content over the Internet have increased, and as enabling technologies such as broadband access to the Internet have proliferated, consumption of rich media content has become increasingly important to Internet end-users and therefore to the content providers that serve them. Limelight has developed its services and architected its network specifically to meet the unique demands content providers face in delivering rich media content to large audiences of demanding Internet end-users. Limelight s comprehensive solution delivers content providers a high-quality, highly scalable, highly reliable offering. Limelight primarily derives revenue from the sale of services to customers executing contracts with terms of one year or longer.

Limelight was formed as an Arizona limited liability company, Limelight Networks, LLC, in June 2001 and converted into a Delaware corporation, Limelight Networks, Inc., in August 2003. Limelight common stock is traded on the Nasdaq Global Market under the symbol LLNW. The principal executive offices of Limelight are located at 2220 W. 14th Street, Tempe, AZ 85821, and its telephone number is (602) 850-5000.

Additional information about Limelight and its subsidiaries is included in documents incorporated by reference in this document. See Where You Can Find More Information beginning on page 164.

Elvis Merger Sub One Corporation

Elvis Merger Sub One Corporation, a wholly owned subsidiary of Limelight, was formed solely for the purpose of completing the merger. Elvis Merger Sub One Corporation has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. The principal executive offices of Elvis Merger Sub One Corporation are located at 2220 W. 14th Street, Tempe, AZ 85821, and its telephone number is (602) 850-5000.

Elvis Merger Sub Two LLC

Elvis Merger Sub Two LLC, a wholly owned subsidiary of Limelight, was formed solely for the purpose of completing the merger. Elvis Merger Sub Two LLC has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. The principal executive offices of Elvis Merger Sub Two LLC are located at 2220 W. 14th Street, Tempe, AZ 85821, and its telephone number is (602) 850-5000.

EyeWonder, Inc.

EyeWonder is a leading provider of interactive digital advertising products and services to advertisers, advertising agencies and publishers. EyeWonder creates and executes high-impact online video and rich media advertising campaigns interactive digital advertising on behalf of global brand advertisers. EyeWonder was a pioneer in the delivery of video ads online and continues to lead industry innovation, delivering highly engaging brand experiences across hundreds of online publishers and all digital media channels, including online, mobile and in-game, and across a variety of formats. Through its innovative technology, products and services, EyeWonder provides advertisers, advertising agencies and content publishers the ability to create, build, deliver, track and optimize interactive advertising campaigns that produce effective results. EyeWonder s in-page, in-stream and mobile advertising products combine the quality and power of Adobe Flash® video and the latest

creative features, as well as online tracking and reporting capabilities to significantly enhance the impact and effectiveness of rich media advertising campaigns. EyeWonder has executed campaigns for hundreds of leading advertisers across a wide variety of sectors.

Founded in 1999 and headquartered in Atlanta, Georgia, EyeWonder has offices in New York, Chicago, San Francisco, Dallas, Los Angeles, the United Kingdom, Ireland, the Netherlands, Germany, Spain and Australia. EyeWonder and its subsidiaries employed a staff of 229 as of March 1, 2010.

Interactive Digital Advertising Market

EyeWonder believes that online video is a fast growing segment of advertising and that it serves a substantial and growing market need. A large portion of online advertising market growth was historically driven by Internet-centric publishers, retailers and direct marketing providers, but today more traditional media advertisers, including consumer packaged goods and brand advertisers, are increasingly recognizing the significance and special capabilities of the Internet and are allocating more of their marketing budgets to online advertising. Increasingly, brand marketers and their agencies seek to deliver standout online campaigns that achieve compelling results, which requires that they employ creative execution, rich functionality and reporting, and better campaign management. Video and rich media are believed to represent the fastest growing segment of online advertising, driven by rapid brand advertiser adoption as well as higher yields for publishers, with video ads typically commanding significantly higher rates than standard display advertisements.

Products and Services

Since 1999, EyeWonder has developed new products that produce tangible, client-focused value. EyeWonder served one of the first instant-play online video ads using Java®. As the capabilities of Adobe Flash® expanded, EyeWonder built its proprietary AdWonder® system. More recently, while competitors have attempted to promote proprietary in-stream ad solutions, EyeWonder has focused on a scalable open solution the Universal In-stream Framework that is fully operable within Adobe Flash®, Microsoft Silverlight® and the Akamai Media Framework, among others. EyeWonder believes that advertisers and agencies benefit from the range of services across multiple platforms that an independent provider like EyeWonder with the resources and expertise to deliver sophisticated video and rich media across leading publishers as well as hundreds of smaller sites can provide. EyeWonder s suite of online advertising products meaningfully enhances audience engagement and interaction, while increasing brand awareness, favorability and other key metrics important to advertisers and advertising agencies.

The core of EyeWonder s current service and product suite is the AdWonder® creative workflow system. With AdWonder®, creative agencies have the ability to build highly sophisticated rich media executions without leaving their preferred Adobe Flash® environment. AdWonder® enables agencies to test, approve and deploy campaigns in significantly less time compared to other tools that require exporting to external systems. AdWonder® enables creative designers to easily design, build, preview, test and approve any EyeWonder rich media or video ad unit within the Adobe Flash® environment, and simplifies the complex task of deploying creative executions across a broad spectrum of sites, allowing marketers and their agencies to focus on campaign strategy and creative execution.

EyeWonder continues to lead innovation through its product development division, EyeWonder Labs. The focus of EyeWonder Labs is to enhance EyeWonder s existing products and to develop new products to meet its customers changing digital marketing needs. EyeWonder Labs works closely with agencies, advertisers and publishers to collaborate on extending delivery into next generation interactive digital advertising platforms, such as mobile and interactive TV.

Customers and Sales

EyeWonder maintains strong customer relationships with major advertising agencies, direct brand advertisers and online publishers.

Agencies rely on EyeWonder to deliver and optimize interactive digital advertising campaigns and provide world-class creative tools and services, such as AdWonder® and EyeWonder s flexible reporting systems.

EyeWonder works closely with a wide range of Web publishers to execute innovative advertising campaigns that often push the creative envelope. Publishers rely on dedicated EyeWonder specialists to monitor changing site specifications and provide troubleshooting and technical support. In addition to technical support, EyeWonder services these relationships with a dedicated publisher sales team and business development staff.

Technology and Operations

EyeWonder integrates proprietary systems and processes with the leading delivery platforms, such as Adobe s Flash® and Microsoft s Silverlight® player, to deliver ad creation tools and reporting functionality with a high level of customer service.

EyeWonder s back-end server infrastructure supports the origination of ad campaigns, internal applications, testing, data maintenance, generation and reporting. The primary server base, including a redundancy system, is maintained at a co-location center in downtown Atlanta, Georgia. A complete set of critical servers and associated applications also is maintained at a Limelight data center in Tempe, Arizona.

While ad campaigns originate from EyeWonder servers, the distribution of ads to users and the collection and return of log file data to populate the reporting system are effected using content distribution networks operated by Limelight and Akamai. EyeWonder historically has used both Limelight and Akamai for CDN services to deliver ads via progressive download and video streaming. Both have extensive and reliable infrastructure used by most large publishers. Most campaigns also involve an agency-side ad server that serves the tag that calls the EyeWonder ad unit from the CDN servers.

Through partnerships with Australia-based Facilitate Digital and Mediaplex, a unit of ValueClick, EyeWonder meets the needs of its advertiser and agency customers for traditional (non-rich) ad serving and server side functionality, particularly in situations where it is necessary to integrate serving and reporting for video and other rich media units with non-rich media units.

Competition

The markets in which EyeWonder operates are rapidly evolving and highly competitive. Currently, EyeWonder s primary competitors are DoubleClick, Eyeblaster, Pointroll and Atlas. Google purchased DoubleClick in 2008, and Microsoft purchased aQuantive (which owned Atlas) in 2007. DoubleClick and Atlas offer solutions and services similar to those offered by EyeWonder, and have access to the substantial financial and engineering resources of their parent companies. EyeWonder also faces competition from a variety of other companies, including rich-media solutions companies such as Unicast and UK-based Flashtalking, as well as ad serving companies, such as Zedo and CheckM8. EyeWonder also may face competition from companies that provide web analytics or web intelligence, and from companies, such as Yahoo!, which are developing campaign management solutions. See Risk Factors *EyeWonder faces significant and increasing competition, including from Google and Microsoft, and EyeWonder may not be able to compete successfully with such powerful competitors* on page 49.

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THE LIMELIGHT SPECIAL MEETING

This section contains information about the special meeting of Limelight stockholders that has been called to consider and approve the proposal to issue shares of Limelight common stock and the adjournment proposal.

Together with this proxy statement/prospectus, Limelight is also sending you a notice of the special meeting and a form of proxy that is solicited by the Limelight board of directors.

Time, Date and Place

The special meeting will be held on April 30, 2010 at 9:00 a.m., local time, at the Sheraton Phoenix Airport Hotel Tempe, located at 1600 South 52nd Street, Tempe, Arizona 85281.

Matters to Be Considered

The purpose of the special meeting is to vote on the following proposals:

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.

Proxies

Each copy of this proxy statement/prospectus mailed to holders of Limelight common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a stockholder of record, you should vote your shares by completing, signing, dating and returning the enclosed proxy card to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you plan to attend the special meeting.

If you hold your stock in street name through a bank, broker or other nominee, you must direct your bank, broker or other nominee to vote in accordance with the instructions you have received from your bank, broker or other nominee.

If you hold stock in your name as a stockholder of record, you may revoke any proxy at any time before it is voted by signing and returning a proxy card with a later date, delivering a written revocation letter to Limelight s Corporate Secretary, or by attending the special meeting in person, notifying Limelight s Corporate Secretary, and voting by ballot at the special meeting.

Any stockholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Limelight s Corporate Secretary) of a stockholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Corporate Secretary

Limelight Networks, Inc.

2220 W. 14th Street

Tempe, Arizona 85281

If your shares are held in street name by a bank, broker or other nominee, you should follow the instructions of your bank, broker or other nominee regarding the revocation of proxies.

According to Limelight s bylaws, no business may be conducted at a special meeting of stockholders other than the business specified in the notice to stockholders. No matters other than the matters described in this document are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting.

Solicitation of Proxies

Since many of Limelight s stockholders may be unable to attend the special meeting, Limelight s board of directors is soliciting proxies to be voted at the special meeting to give each stockholder an opportunity to vote on all matters scheduled to come before the meeting and set forth in this proxy statement/prospectus. Limelight s board of directors is asking stockholders to designate Douglas S. Lindroth and Philip C. Maynard, and each of them, as their proxies.

Limelight will pay the costs of printing and mailing this proxy statement/prospectus to Limelight s stockholders, and all other costs incurred by it in connection with the solicitation of proxies from its stockholders on behalf of its board of directors, including the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Limelight will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of Limelight common stock and secure their voting instructions. Limelight will reimburse the record holders for their reasonable expenses in taking those actions. In addition to soliciting proxies by mail, Limelight may use its directors, officers and employees to solicit proxies in person or by telephone or facsimile. None of these individuals will receive any special compensation for doing this, although Limelight will reimburse these individuals for their reasonable out-of-pocket expenses.

Record Date

The close of business on March 31, 2010 has been fixed as the record date for determining the Limelight stockholders entitled to receive notice of and to vote at the special meeting. At that time, 85,227,561 shares of Limelight common stock were outstanding, held by approximately 57 registered holders.

Voting Rights and Vote Required

The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of Limelight common stock entitled to vote is necessary to constitute a quorum at the special meeting. Abstentions will be counted for the purpose of determining whether a quorum is present.

Approval of the issuance of Limelight common stock to EyeWonder securityholders in the merger 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. Because approval of this proposal requires the affirmative vote of a majority of shares present in person or represented by proxy, abstentions will have the same effect as a vote against this proposal. However, the failure to vote, either by proxy or in person, and broker non-votes, will have no effect on the proposal.

Approval of the adjournment proposal 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. Because approval of this proposal requires the affirmative vote of a majority of shares present in person or represented by proxy, abstentions will have the same effect as a vote against this proposal. However, the failure to vote, either by proxy or in person, and broker non-votes, will have no effect on the adjournment proposal.

The Limelight board of directors urges Limelight stockholders to promptly vote by completing, signing, dating and returning the enclosed proxy card, or, if you hold your stock in street name through a bank, broker or other nominee, by following the voting instructions of your bank, broker or other nominee.

As of the record date, directors and executive officers of Limelight, and their affiliates, had the right to vote approximately 44,980,075 shares of Limelight common stock, or approximately 52.78% of the outstanding Limelight common stock at that date. Limelight currently expects that each of these individuals will vote their shares of Limelight common stock in favor of the proposals to be presented at the special meeting. Certain stockholders of Limelight, including certain executive officers of Limelight and their affiliates, collectively holding 43,854,501 shares of Limelight common stock, or 51.46% of the outstanding Limelight common stock as of the record date have entered voting agreements with EyeWonder. Pursuant to the voting agreements, these stockholders have agreed to vote such shares of Limelight common stock in favor of the issuance of Limelight common stock in the transactions contemplated by the merger agreement and against any proposal that would compete with the issuance of Limelight common stock in the transactions contemplated by the merger agreement, and have granted a proxy to EyeWonder to vote the shares in such manner.

Recommendation of the Limelight Board of Directors

The Limelight board of directors has unanimously approved and adopted the merger agreement and the transactions contemplated thereby. The Limelight board of directors determined that the merger agreement and the transactions contemplated thereby are advisable and in the best interests of Limelight and its stockholders and unanimously recommends that you vote FOR approval of Proposal No. 1 and FOR approval of Proposal No. 2. See Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Limelight s Reasons for the Merger on page 74 for a more detailed discussion of the Limelight board of directors recommendation.

Attending the Meeting

All holders of Limelight common stock, including stockholders of record and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Stockholders of record can vote in person at the special meeting. If you are not a stockholder of record, you must obtain a proxy executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. Limelight reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned for the purpose of soliciting additional proxies if Limelight has not received sufficient votes to approve the proposal to issue common stock of Limelight at the special meeting of stockholders. Any adjournments may be made without notice, other than an announcement at the special meeting, by approval of the affirmative vote of holders of at least a majority of shares of Limelight common stock entitled to vote and present in person or represented by proxy at the special meeting. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow stockholders who have already sent in their proxies to revoke them at any time prior to their use.

At any time prior to convening the special meeting, Limelight s board of directors may postpone the special meeting for any reason without the approval of Limelight stockholders. If postponed, Limelight will provide notice of the new meeting date as required by law. Similar to adjournments, any postponement of the special meeting for the purpose of soliciting additional proxies will allow stockholders who have already sent in their proxies to revoke them at any time prior to their use.

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Other Matters

As of the date of this proxy statement/prospectus, the Limelight board of directors does not know of any other business to be presented for consideration at the special meeting. If other matters properly come before the special meeting, the persons named in the accompanying form of proxy intend to vote on such matters based on their best judgment and they intend to vote the shares as the Limelight board of directors may recommend.

Questions and Additional Information

Limelight stockholders who would like additional copies, without charge, of this proxy statement/prospectus or have additional questions about the merger, including the procedures for voting their shares of Limelight common stock, should contact:

Limelight Networks, Inc.

2220 W. 14th Street

Tempe, Arizona 85281

Attention: Paul Alfieri, Investor Relations

Telephone: (917) 297-4241

THE EYEWONDER SPECIAL MEETING

This section contains information about the special meeting of EyeWonder stockholders that has been called to consider and approve the merger proposal, the proposal to convert the Series A preferred stock into common stock, the proposal to convert the Series B preferred stock into common stock and the adjournment proposal, if necessary.

Together with this proxy statement/prospectus EyeWonder is also sending you a notice of the special meeting and a form of proxy that is solicited by the EyeWonder board of directors.

Time, Date and Place

The special meeting will be held on April 28, 2010 at 9:00 a.m., local time, at 229 Peachtree Street, NE, International Tower, Suite 1700, Atlanta, Georgia 30303.

Matters to Be Considered

The purpose of the special meeting is to vote on 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.

Proxies

Each copy of this proxy statement/prospectus mailed to holders of EyeWonder capital stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a stockholder of record, you should vote your shares by completing, signing, dating and returning the enclosed proxy card to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you plan to attend the special meeting.

If you hold stock in your name as a stockholder of record, you may revoke any proxy at any time before it is voted by signing and returning a proxy card with a later date, delivering a written revocation letter to EyeWonder s Corporate Secretary, or by attending the special meeting in person, notifying EyeWonder s Corporate Secretary, and voting by ballot at the special meeting.

Any stockholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying EyeWonder s Corporate Secretary) of a stockholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

EyeWonder, Inc.

229 Peachtree Street NE

International Tower, Suite 1700

Atlanta, GA 30303

Attention: Corporate Secretary

According to EyeWonder s bylaws, business to be conducted at a special meeting of stockholders may be brought before the meeting only by the Chairman of the Board or the President, or by the President or the Secretary at the written request of a majority of the members of the board of directors or of stockholders owning 10% or more of EyeWonder s capital stock issued, outstanding and entitled to vote. No matters other than the matters described in this document are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting.

EyeWonder stockholders and warrantholders should not send EyeWonder stock certificates or warrants with their proxy cards. After the merger is completed, Limelight will mail to holders of EyeWonder capital stock a transmittal form with instructions on how to exchange their EyeWonder stock certificates and warrants for the merger consideration.

Solicitation of Proxies

Since many of EyeWonder s stockholders may be unable to attend the special meeting, EyeWonder s board of directors is soliciting proxies to be voted at the special meeting to give each stockholder an opportunity to vote on all matters scheduled to come before the meeting and set forth in this proxy statement/prospectus. EyeWonder s board of directors is asking stockholders to designate John J. Vincent and Jerome F. Connell, Jr., and each of them, as their proxies.

EyeWonder will pay the costs of printing and mailing this proxy statement/prospectus to EyeWonder s stockholders, and all other costs incurred by it in connection with the solicitation of proxies from its stockholders on behalf of its board of directors, including the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, EyeWonder may use its directors, executive officers and employees to solicit proxies from EyeWonder stockholders in person or by telephone or facsimile. None of these individuals will receive any special compensation for doing this, although EyeWonder will reimburse these individuals for their reasonable out-of-pocket expenses.

Notice Date and Record Date

The EyeWonder board of directors has fixed the close of business on March 31, 2010 as the date for notice of the special meeting. The EyeWonder board of directors has fixed the close of business on March 31, 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. On the record date, (i) 15,704,602 shares of EyeWonder common stock were outstanding and entitled to vote, (ii) 870,000 shares of EyeWonder Series A preferred stock were outstanding and entitled to vote, and (iii) 5,219,305 shares of EyeWonder Series B preferred stock were outstanding and entitled to vote. A complete list of stockholders entitled to vote at the special meeting will be available for examination by any stockholder for any purpose germane to the special meeting, during ordinary business hours, for a period of at least ten (10) days prior to the special meeting, at the offices of EyeWonder, Inc., 229 Peachtree Street NE, International Tower, Suite 1700, Atlanta, Georgia 30303.

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Voting Rights and Vote Required

The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of EyeWonder capital stock entitled to vote is necessary to constitute a quorum at the special meeting.

Approval of the merger proposal requires the affirmative vote of a majority of the outstanding shares of EyeWonder common stock and preferred stock entitled to vote at the special meeting (voting together as a single class). Each holder of EyeWonder common stock is entitled to one vote for each share of EyeWonder common stock such holder holds as of the record date and each holder of EyeWonder preferred stock is entitled to one vote for each share of common stock (including fractions) into which such shares of preferred stock such holder holds as of the record date are convertible as of the record date. The holders of EyeWonder preferred stock will vote together with the holders of EyeWonder common stock as a single class.

Because the affirmative vote of the holders of a majority of the outstanding shares of EyeWonder common stock and preferred stock entitled to vote at the special meeting is needed to adopt the merger proposal, the failure to vote by proxy or in person will have the same effect as a vote against the approval of the merger proposal. Abstentions also will have the same effect as a vote against the approval of the merger proposal. Accordingly, the EyeWonder board of directors urges EyeWonder stockholders to promptly vote by completing, signing, dating and returning the enclosed proxy card.

Approval of the proposal to convert the outstanding shares of EyeWonder Series A preferred stock into EyeWonder common stock requires the affirmative vote of the holders of at least a majority of the outstanding shares of EyeWonder Series A preferred stock. Because approval of this proposal is based on the affirmative vote of a majority of the outstanding shares of EyeWonder Series A preferred stock, the failure of an EyeWonder Series A preferred stockholder to vote or an EyeWonder Series A preferred stockholder s abstention will have the same effect as a vote against the proposal. However, the failure of an EyeWonder common stockholder or Series B preferred stockholder to vote, or an EyeWonder common stockholder s or Series B preferred stockholder s abstention, will have no effect on this proposal.

Approval of the proposal to convert the outstanding shares of EyeWonder Series B preferred stock into EyeWonder common stock requires the affirmative vote of the holders of at least a majority of the outstanding shares of EyeWonder Series B preferred stock. Because approval of this proposal is based on the affirmative vote of a majority of the outstanding shares of EyeWonder Series B preferred stock, the failure of an EyeWonder Series B preferred stockholder to vote or an EyeWonder Series B preferred stockholder s abstention will have the same effect as a vote against the proposal. However, the failure of an EyeWonder common stockholder or Series A preferred stockholder to vote, or an EyeWonder common stockholder s or Series A preferred stockholder s abstention, will have no effect on this proposal.

Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of common and preferred stock present in person or represented by proxy and entitled to vote at the special meeting. Because approval of this proposal requires the affirmative vote of a majority of the outstanding shares of common and preferred stock present in person or represented by proxy and entitled to vote at the special meeting, abstentions will have the same effect as a vote against this proposal. However, the failure to vote, either by proxy or in person, will have no effect on the adjournment proposal.

Stockholders may vote at the meeting by ballot. Votes cast at the meeting, in person or by proxy, will be tallied by EyeWonder s Corporate Secretary.

As of the record date, directors and executive officers of EyeWonder, and their affiliates, had the right to vote 10,760,206 shares of EyeWonder s common stock and preferred stock, on an as-converted basis, or 49.37% of the outstanding EyeWonder common stock and preferred stock, on an as-converted basis, at that date. EyeWonder currently expects that each of these individuals will vote their shares of EyeWonder common stock and preferred stock, if any, in favor of the proposals to be presented at the special meeting. Certain stockholders

of EyeWonder, including certain executive officers of EyeWonder, collectively holding 14,540,269 shares of EyeWonder common stock and preferred stock, on an as-converted basis, or 66.72% of the outstanding EyeWonder common stock and preferred stock, on an as-converted basis, as of the record date have entered voting agreements with Limelight. Pursuant to the voting agreements, these stockholders have agreed to vote such shares of EyeWonder common stock and preferred stock in favor of the approval of the merger proposal, and against any proposal that would compete with the merger proposal, and have granted a proxy to Limelight to vote the shares in such manner.

Recommendation of the EyeWonder Board of Directors

The EyeWonder board of directors has unanimously approved and adopted the merger agreement and the transactions contemplated thereby. The EyeWonder board of directors determined that the merger agreement and the transactions contemplated thereby are advisable and in the best interests of EyeWonder and its stockholders and unanimously recommends that you 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. See Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger EyeWonder s Reasons for the Merger on page 76, EyeWonder Proposal No. 2 Conversion of Series A Preferred Stock on page 134, EyeWonder Proposal No. 3 Conversion of Series B Preferred Stock on page 135, and EyeWonder Proposal No. 4 Possible Adjournment of the EyeWonder Special Meeting on page 135 for a more detailed discussion of the EyeWonder board of directors recommendation.

Attending the Meeting

All holders of EyeWonder capital stock entitled to vote at the special meeting are invited to attend the special meeting. Stockholders of record can vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name, hold a valid proxy from a record holder or be an invited guest of EyeWonder. You also must bring a form of personal photo identification with you in order to be admitted. EyeWonder reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned for the purpose of soliciting additional proxies if EyeWonder has not received sufficient votes to adopt the merger proposal at the special meeting of stockholders. Any adjournments may be made without notice, other than an announcement at the special meeting, by approval of the affirmative vote of holders of at least a majority of shares of EyeWonder capital stock entitled to vote and present in person or represented by proxy at the special meeting or, in the absence of any such stockholder, at the direction of any officer entitled to preside at, or act as secretary of, such meeting. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow stockholders who have already sent in their proxies to revoke them at any time prior to their use.

At any time prior to convening the special meeting, EyeWonder s board of directors may postpone the special meeting for any reason without the approval of EyeWonder s stockholders. If postponed, EyeWonder will provide notice of the new meeting date as required by law. Similar to adjournments, any postponement of the special meeting for the purpose of soliciting additional proxies will allow stockholders who have already sent in their proxies to revoke them at any time prior to their use.

Appraisal Rights

Under Delaware law, EyeWonder stockholders are entitled to appraisal rights in connection with the merger. Failure to take any of the steps required under Delaware law on a timely basis may result in the loss of these appraisal rights, as more fully described in Limelight Proposal No. 1 and EyeWonder Proposal No. 1 The Merger Appraisal Rights beginning on page 89.

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Other Matters

As of the date of this proxy statement/prospectus, the EyeWonder board of directors does not know of any other business to be presented for consideration at the special meeting. If other matters properly come before the special meeting, the persons named in the accompanying form of proxy intend to vote on such matters based on their best judgment and they intend to vote the shares as the EyeWonder board of directors may recommend.

Questions and Additional Information

EyeWonder stockholders who would like additional copies, without charge, of this proxy statement/ prospectus or have additional questions about the merger, including the procedures for voting their shares of EyeWonder capital stock, should contact:

EyeWonder, Inc.

229 Peachtree Street NE

International Tower, Suite 1700

Atlanta, GA 30303

Attention: Jerome F. Connell, Jr.

Telephone: (678) 891-2041

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LIMELIGHT PROPOSAL NO. 1 AND EYEWONDER PROPOSAL NO. 1

THE MERGER

General Description of the Merger

The merger agreement contemplates that Elvis Merger Sub One Corporation, a direct, wholly owned subsidiary of Limelight, will merge with and into EyeWonder, with and into EyeWonder continuing as the interim surviving entity, and, immediately thereafter, EyeWonder will merge with Elvis Merger Sub Two LLC, a second direct, wholly owned subsidiary of Limelight, with such subsidiary continuing as the final surviving entity. Under the terms of the merger agreement, the holders of shares of EyeWonder capital stock outstanding at the completion of the merger will receive, in the aggregate, $62,000,000 in cash, subject to certain adjustments, and 12,740,000 shares of Limelight common stock. In addition, EyeWonder securityholders may receive up to 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 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.

Background of the Merger

Both Limelight and EyeWonder regularly evaluate strategic opportunities, including potential mergers with other companies, acquisitions of other companies or assets, and other strategic alliances. The terms and conditions of the merger agreement and the merger are the result of arm s length negotiations between representatives of Limelight and of EyeWonder. The following is a summary of the background of these negotiations.

Since 2004, Limelight has provided CDN services to EyeWonder and certain of EyeWonder s customers, and during that time Limelight served as a key vendor for EyeWonder. Consequently, EyeWonder and Limelight had numerous discussions during the relationship regarding service offerings, network capabilities and other aspects of the vendor relationship, and they became generally familiar with each other s business and technologies.

In January 2009, EyeWonder began approaching potential investors to discuss options for investment transactions for the purpose of raising additional capital to fund EyeWonder s growth strategy, which was done with the assistance of The Jordan, Edmiston Group, Inc., an investment banking firm that EyeWonder had engaged for such purpose in 2008. From March through July 2009, EyeWonder and the investment banking firm shared financial information with potential investors, and had preliminary and follow-up discussions with several potential investors. EyeWonder also shared information, and engaged in discussions on its own, with potential investors in the fall of 2009.

In September 2009, representatives from EyeWonder and Limelight negotiated the renewal terms for their existing vendor contract, including the pricing and other terms for the services provided by Limelight. In mid-October 2009, Jeffrey W. Lunsford, President, Chief Executive Officer and Chairman of Limelight, contacted John J. Vincent, Chief Executive Officer and Chairman of EyeWonder, and suggested that it might be useful for the two companies to explore a potential business combination. Mr. Lunsford and Mr. Vincent briefly discussed the expected benefits to the two companies of such a combination, and agreed to discuss the matter further, and EyeWonder disclosed certain financial and other information to Limelight for the purpose of evaluating a potential transaction.

In late October 2009, Mr. Lunsford indicated to Mr. Vincent what he believed the likely general parameters of a transaction structure and valuation might be, subject to further input from the Limelight board of directors. During the week of November 2, 2009, Mr. Vincent met with Mr. Lunsford and members of the Limelight board of directors to present business and financial information to one another regarding the two companies, and to discuss the synergies and strategic rationale of a potential business combination.

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During the week of November 9, 2009, Mr. Vincent and Thomas Falk, a member of EyeWonder s board of directors, met in San Francisco with Mr. Lunsford and additional members of Limelight s board of directors to continue discussions regarding a potential transaction. Preliminary terms were proposed by Limelight, subject to legal, financial and business due diligence, the respective boards of directors being in agreement, and approval from the senior management team at each company.

On November 15, 2009, Limelight s senior management briefed members of the Limelight board of directors about the status of negotiations and due diligence meeting plans for the coming week. Representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, Limelight s corporate counsel, participated in the discussion and addressed questions of the board. Management and the board reviewed potential synergies of a combination as well as potential benefits and risks of the transaction to Limelight and its stockholders. The board also discussed a preliminary timeline of the proposed transaction and structural and legal aspects of the transaction. The board authorized Limelight management to move forward with discussions and negotiations and provided guidance on the proposed terms.

On November 16, 2009, EyeWonder s board of directors determined that, based on the terms of the preliminary offer, it would be desirable to move forward with further discussions. Later that week, members of the Limelight and EyeWonder senior management teams met in EyeWonder s offices in Atlanta, Georgia, along with several accounting, financial and legal advisors. During those meetings, Limelight and EyeWonder entered into a mutual nondisclosure and confidentiality agreement, to be effective as of November 1, 2009. The parties also confirmed to each other that the terms of the preliminary offer would remain intact as the basis for the proposed transaction, with minor modifications relating to outstanding debt and working capital levels.

During October and November 2009, Mr. Vincent continued discussions that had been ongoing with a private investor group regarding a potential investment transaction. He also was approached by the Chief Executive Officer of a competitor of EyeWonder regarding EyeWonder s interest in exploring a potential business combination with that company, which was followed by a preliminary meeting in Atlanta among the senior management teams of EyeWonder and such other company. Discussions with the competitor and the investment group continued sporadically through November, but the parties were not able to reach agreement on key business terms, including particularly valuation, and no formal proposals were exchanged.

During the latter part of November 2009, Limelight and its advisors prepared an initial draft of a definitive merger agreement detailing the material terms of the proposed transaction, which draft was formally submitted to EyeWonder on November 26, 2009.

On November 30, 2009, Limelight formally engaged Jefferies & Company, Inc., as its financial advisor.

On December 2, 2009, the Limelight board of directors met to review the status of the transaction. Representatives of Wilson Sonsini Goodrich & Rosati participated in the meeting. The board discussed with management the business of EyeWonder, and the strategic rationale for, and potential synergies from, the transaction. Limelight s senior management and its legal advisors reviewed the proposed transaction terms and structure, the status of the on-going due diligence investigation, the legal aspects of the transaction and the proposed timeline for completion of the transaction.

On December 3, 2009, the EyeWonder board of directors met to review the status of the transaction. Representatives of Kilpatrick Stockton participated in the meeting and addressed questions of the board. Kilpatrick Stockton reviewed the board s fiduciary duties, and reviewed the terms and conditions of the draft definitive merger agreement and the status of negotiations regarding key terms, and management reviewed the results of due diligence reviews to date and a preliminary financial analysis of the transaction. The board discussed with management the status of management s discussions with other potential acquirers, and concluded that EyeWonder was not likely to receive a proposal from any party that would contain terms more favorable than those proposed by Limelight.

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During the December 3, 2009 meeting, the EyeWonder board also discussed a preliminary timeline of the proposed transaction, and structural and legal aspects of the transaction. The board authorized management and the company s legal counsel to continue to pursue the transaction on the terms discussed, and also to retain such additional business and legal advisors as management might consider necessary to properly evaluate the potential benefits and risks of the transaction.

During the first week of December 2009, the parties also continued to move forward with accounting, business and legal due diligence discussions and investigations, which had commenced during the meetings in Atlanta. EyeWonder also engaged Madison Alley Global Ventures as financial and technology advisor, for the purpose of conducting certain operational and financial due diligence investigations relating to Limelight s business and market position, and retained patent litigation counsel to review the history and status of the ongoing litigation between Limelight and Akamai Technologies, Inc. and between Limelight and Level 3 Communications, LLC.

During the week of December 7, 2009, the parties and their counsel continued to negotiate the terms of the definitive merger agreement and other ancillary agreements, including in particular the representations and warranties, post-closing indemnification matters, and the size and duration of, and limitations on, the indemnification and escrow provisions. Limelight and EyeWonder continued to conduct financial, legal and business due diligence on one another, and on December 11, 2009, Mr. Vincent had a telephone meeting with Mr. Lunsford and members of the Limelight board of directors to discuss the merger and the support of Limelight s largest stockholders for the merger.

On December 14, 2009, the Limelight board of directors met to review the status of the transaction including the status of business, legal, financial and technical due diligence investigations. Representatives of Jefferies and Wilson Sonsini Goodrich & Rosati participated in the meeting and addressed questions of the board. The board authorized management and the company s legal counsel to continue to pursue the transaction on the terms discussed.

On December 14, 2009, the EyeWonder board of directors met to review the status of the transaction and the results of final business, legal and financial due diligence reviews. Representatives of Kilpatrick Stockton participated in the meeting and addressed questions of the board. Kilpatrick Stockton reviewed the status of negotiations regarding key terms, and management reviewed the results of due diligence reviews to date and an updated financial analysis of the transaction based on advice from Madison Alley Global Ventures, as well as patent counsel s impressions and opinion relating to the Akamai litigation. The board authorized management and the company s legal counsel to continue to pursue the transaction on the terms discussed.

From December 14 to 16, 2009, the parties held meetings and conference calls to resolve open items, and negotiated substantially final versions of the definitive merger agreement and ancillary agreements. Limelight continued its due diligence process.

On December 16, 2009, the EyeWonder board of directors met to consider authorizing the company to enter into the proposed definitive merger agreement with Limelight on substantially the terms presented to the board. Representatives of Kilpatrick Stockton participated in the meeting and addressed questions of the board. The board unanimously approved the merger agreement and the transactions contemplated thereby, and authorized management to negotiate the final forms of the merger agreement and ancillary documents, and to execute and deliver the definitive merger agreement and ancillary agreements when finalized.

On December 16, 2009, the Limelight board of directors met to review the status of the transaction and the proposed terms of a definitive merger agreement and related agreements. Representatives of Wilson Sonsini Goodrich & Rosati participated in the meeting. Limelight senior management and its legal advisors also reviewed the status of the business, legal, financial and technical due diligence investigations, and addressed questions of the board.

From December 16 to 20, 2009, the parties held meetings and conference calls to finalize the definitive merger agreement and ancillary agreements, including the terms of voting, lock-up and option agreements proposed to be signed by executive officers, directors and certain stockholders of EyeWonder and Limelight. Limelight completed its due diligence process.

On December 18, 2009, the Limelight board of directors met to consider authorizing the company to enter into the proposed definitive merger agreement with EyeWonder. Representatives of Jefferies and Wilson Sonsini Goodrich & Rosati participated in the meeting and addressed questions of the board. The board received final due diligence updates, an update on the status of the definitive merger agreement and a review of the resolution of open issues. Representatives of Jefferies reviewed with the board its financial analysis with respect to the consideration to be paid by Limelight in the transaction and rendered to the board an oral opinion, subsequently confirmed in writing, dated December 18, 2009, to the effect that, as of that date and based on and subject to the factors, assumptions, limitations and other considerations described in the written opinion, the consideration (as defined in the opinion) to be paid by Limelight, pursuant to the merger agreement was fair, from a financial point of view, to Limelight. The board unanimously approved the transaction and authorized management to execute the definitive merger agreement and ancillary agreements.

On December 21, 2009, the parties executed the definitive merger agreement. Contemporaneously with the execution of the definitive merger agreement, executive officers, directors and certain stockholders of EyeWonder delivered executed voting agreements, option agreements and lock-up agreements, and executive officers, directors and certain stockholders of Limelight delivered executed voting agreements.

On December 21, 2009, prior to the opening of the financial markets, the parties issued a press release announcing the proposed transaction. Later that day, Mr. Lunsford and Mr. Vincent held a joint investor conference call to review the proposed transaction.

Reasons for the Merger

The following discussion of the parties reasons for the merger contains a number of forward-looking statements that reflect the current views of Limelight and EyeWonder, as applicable, with respect to future events that may have an effect on their future financial performance or the future financial performance of the combined company. Forward-looking statements are subject to risks and uncertainties. Actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. Cautionary statements that identify important factors that could cause or contribute to differences in results and outcomes include those discussed in Cautionary Statement Regarding Forward-Looking Statements and Risk Factors.

Limelight s Reasons for the Merger

In the course of reaching its decision to approve the merger, adopt the merger agreement and recommend that Limelight stockholders vote FOR the proposal to approve the issuance of shares of Limelight common stock in the first merger, the Limelight board of directors consulted with senior management, legal counsel and its financial advisor. The Limelight board of directors also consulted with outside legal counsel regarding its fiduciary duties, legal due diligence matters and the terms of the merger agreement and related agreements. The following discussion includes all material reasons and factors considered by the Limelight board of directors in making its recommendation, but is not, and is not intended to be, exhaustive:

- the assessment of the Limelight board of directors and Limelight s senior management that the merger will result in synergies between Limelight and EyeWonder, including high performance advertisement serving and faster page loading from an integrated scalable platform, yielding better customer engagement and better click through rates;

- the assessment of the Limelight board of directors and Limelight s senior management that EyeWonder s agency relationships will help Limelight s strategic push into the enterprise and whole site delivery segments;

- the assessment of the Limelight board of directors and Limelight s senior management that Limelight s extensive publisher relationships will help EyeWonder strengthen and broaden it s relationships with publishers in existing and new international markets;

- the assessment of the Limelight board of directors and Limelight s senior management that the combined reporting and analytics platforms of Limelight s CDN and EyeWonder s rich media ad serving platform will enhance agencies and publishers insight into online activity and help agencies drive more effective campaigns for advertisers and help publishers enhance inventory yield;

- the assessment of the Limelight board of directors and Limelight s senior management that the combination of Limelight and EyeWonder would have the potential to achieve revenue growth, profitability and stockholder value greater than the two companies could achieve independently, by, among other things, leveraging intellectual property, design expertise and customer relationships, offering services to a more diversified customer base in a broader set of markets, distributing services to new customers, and combining the complementary innovation, technological and operational capacities of the two companies, while at the same time reducing the level of customer and market exposure that each company would encounter as an independent company;

- the assessment of the Limelight board of directors and Limelight s senior management that the merger and EyeWonder s operating strategy are consistent with Limelight s long-term operating strategy to grow its business by expanding the scope, depth and breadth of service offerings;

- the opportunity to diversify and expand service and product offerings and the Limelight customer base, thereby increasing the potential to achieve higher revenues and improved margins;

- the potential opportunity for the two companies to combine their technological resources to develop new services and products with increased functionality and bring services and products to the market more quickly than either company could do so separately;

- the likelihood that the merger will be completed on a timely basis, including the likelihood that the merger will receive all necessary antitrust approvals;

- the likelihood of retaining key EyeWonder employees to help manage, within the combined entity, the business conducted by EyeWonder prior to the completion of the merger;

- the opinion delivered to the Limelight board of directors on December 18, 2009 by Jefferies, Limelight s financial advisor, that, as of that date, and based upon and subject to the various factors, assumptions, limitations and qualifications set forth in the written opinion, the consideration (as defined in the opinion) to be paid by Limelight pursuant to the merger agreement was fair, from a financial point of view, to Limelight, as more fully described below in the section entitled Opinion of Limelight s Financial Advisor ; and

- the results of the due diligence review of EyeWonder s businesses and operations by Limelight s management, legal advisors and financial advisors.

The Limelight board of directors also considered a number of potentially negative factors in its consideration of the merger, including the following:

the risks, challenges and costs inherent in combining the operations of two companies and the substantial expenses to be incurred in connection with the merger, including the possibility that delays or difficulties in completing the integration could adversely affect the combined company s operating results and preclude the achievement of some benefits anticipated from the merger;

- the possible volatility, at least in the short term, of the trading price of Limelight s common stock resulting from the transaction;

- the possible loss of key management, technical or other personnel of either of the combining companies as a result of the management and other changes that will be implemented in integrating the businesses of the respective companies;

- the risk of diverting the attention of management of each of the respective companies from other strategic priorities to implement merger integration efforts;

- the potential negative impact of any customer reductions or delays in purchase commitments after the announcement of the merger;

- the potential loss of one or more large customers or partners of either company as a result of any such customer s or partner s unwillingness to do business with the combined company;

- the possibility that the reactions of existing and potential competitors to the combination of the two businesses could adversely impact the competitive environment in which the companies operate;

- the risk that the merger might not be completed in a timely manner or at all;

- the risk to Limelight s business, sales, operations and financial results in the event that the merger is not completed;

- the risk that the anticipated benefits of service and product integration and interoperability and cost savings will not be realized;

- the potential incompatibility of business cultures; and

- various other applicable risks associated with the combined company and the merger, including those described in the section of this proxy statement/prospectus entitled Risk Factors on page 26.

The preceding discussion of the information and factors considered by the Limelight board of directors is intended to be illustrative and not exhaustive. In light of the variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Limelight board of directors did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weights to the various factors considered in reaching its determination, and individual directors may have given different weight to different factors. In addition, the Limelight board of directors did not reach any specific conclusion with respect to any of the factors or reasons considered. Instead, the Limelight board of directors conducted an overall analysis of the factors and reasons described above and determined that, in the aggregate, the potential benefits considered outweighed the potential risks or possible negative consequences of approving the merger, adopting the merger agreement and recommending that Limelight stockholders vote FOR the issuance of common stock in connection with the merger agreement.

EyeWonder s Reasons for the Merger

In considering the transaction with Limelight and in the course of reaching its decision to approve the merger, adopt the merger agreement and recommend that EyeWonder stockholders vote FOR the adoption of the merger agreement, the conversion of the EyeWonder Series A preferred stock and the conversion of the EyeWonder Series B preferred stock, the EyeWonder board of directors consulted with senior management and with representatives of Kilpatrick Stockton LLP, outside legal counsel to EyeWonder. The EyeWonder board of directors also consulted with Kilpatrick Stockton regarding its fiduciary duties, legal due diligence matters and

the terms of the merger agreement and related agreements. The following discussion includes all material reasons and factors considered by the EyeWonder board of directors in making its recommendation, but is not, and is not intended to be, exhaustive.

In the course of reaching that determination and recommendation, the EyeWonder board of directors considered a number of factors supporting the proposed transaction in its deliberations, including the following:

- its knowledge of EyeWonder s business, financial condition, results of operations and prospects, competitive position and its belief that the proposed transaction is more favorable to EyeWonder stockholders than any other strategic alternative reasonably available to EyeWonder, including remaining as a stand-alone entity;

- its view of Limelight s prospects following the closing of the merger, including particularly its strong cash position and its CDN architecture and service capabilities;

- EyeWonder s long experience with Limelight and Limelight s CDN capabilities, based on the longstanding vendor relationship between EyeWonder and Limelight pursuant to which Limelight has provided CDN services to EyeWonder;

- the merger consideration to be received by EyeWonder securityholders in the merger, including particularly the following:

  - that the merger consideration is a mix of cash and a fixed number of shares of Limelight common stock, which provides EyeWonder s securityholders both an immediate cash value and the opportunity to participate in the long-term value of EyeWonder through ownership of Limelight common stock following the merger;

  - that the substantial cash portion of the merger consideration will provide liquidity and certainty of value to the EyeWonder stockholders, as compared to the uncertain future long-term value to EyeWonder stockholders that might be realized if EyeWonder remained an independent private company;

  - that the stock portion of the merger consideration will be registered with the SEC and eligible for trading on Nasdaq following the merger, subject to certain restrictions on certain EyeWonder stockholders described elsewhere in this proxy statement/prospectus in the section entitled Restrictions on Resales on page 92;

  - the opportunity for EyeWonder stockholders to benefit from any increase in the trading price of Limelight common stock between signing and closing of the transaction; and

  - the potential additional shares of Limelight common stock payable to EyeWonder securityholders if the final surviving entity exceeds certain performance metrics based on its revenues and EBITDA during 2010;

- the expectation, based on the tax opinions of legal counsel, that the merger will qualify as a reorganization with the meaning of Section 368(a) of the Code, subject to the assumptions and other factors described elsewhere in this proxy statement/prospectus in the section entitled Material U.S. Federal Income Tax Consequences of the Merger on page 140.

the available cash resources of Limelight to pay the cash portion of the merger consideration without the need for outside financing and the representation that Limelight made in the merger agreement to that effect;

its view that Limelight, as a public company, will be better positioned than EyeWonder to raise additional capital;

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the combined company will be led by experienced senior management and board of directors, including two members of EyeWonder s board of directors who will serve on the Limelight board;

the fact that Limelight would be required to pay EyeWonder a $3.5 million termination fee in connection with termination of the merger agreement in certain circumstances (as described elsewhere in this proxy statement/prospectus in the section entitled The Merger Agreement Termination of the Merger Agreement on page 111);

the likelihood that the merger will be consummated on a timely basis, including the customary closing conditions included in the merger agreement, the voting agreements signed by certain stockholders of Limelight holding a majority of the outstanding shares of Limelight common stock entitled to vote at the Limelight special meeting, and the likelihood that the merger will receive all necessary regulatory approvals;

the terms and conditions of the merger agreement and the course of negotiations thereof, including:

the limited conditions to Limelight s obligation to complete the merger, including the absence of a financing condition and limited ability of Limelight to terminate the merger agreement under clearly defined circumstances;

the limitation of claims by Limelight against EyeWonder securityholders for breaches of representations and warranties being limited, except in cases of fraud or willful misrepresentation, to a period of fifteen months following the closing and to not more than the portion of the merger consideration deposited in escrow at the closing;

the structure of the transaction as a merger, requiring approval by EyeWonder s stockholders, which would result in detailed public disclosure and a period of time prior to completion of the merger during which an unsolicited superior proposal, if any, could be brought forth;

the ability of the EyeWonder board of directors, under certain circumstances, to furnish information to and conduct negotiations with a third party, if the EyeWonder board of directors determines in good faith (after consultation with its financial advisor and its outside legal counsel) that (A) the third party has made an acquisition proposal that either constitutes or is reasonably likely to lead to a superior proposal and (B) the failure to take such action is reasonably likely to result in a breach of its fiduciary duties to the EyeWonder stockholders;

the ability of EyeWonder to terminate the merger agreement in order to accept a superior proposal, subject to certain conditions and payment to Limelight of $3.5 million; and

the belief of the EyeWonder board of directors that the termination fee is within the range of reasonable termination fees provided for in comparable transactions and is not a significant deterrent to possible competing offers; and

that EyeWonder s stockholders will be entitled to appraisal rights under Delaware law.

In the course of its deliberations, the EyeWonder board of directors also considered a variety of risks and factors weighing against the merger, including:

the risks associated with several significant patent infringement lawsuits pending against Limelight, including the impact that an adverse outcome in those lawsuits would have on the combined company and the distraction and expense of those lawsuits regardless of the outcome;

the fixed number of shares of Limelight common stock payable as part of the merger consideration, with the result that a decrease in the price of Limelight common stock between the date of execution of

the merger agreement and the closing of the merger presents the risk that EyeWonder securityholders may receive less value for their shares or warrants upon the closing of the merger than calculated on the date of execution of the merger agreement and on the date of the EyeWonder special meeting;

the risks and contingencies related to the announcement of the merger, including EyeWonder s ability to retain key employees and maintain relationships with its customers, commercial partners and third parties;

the conditions to Limelight s obligation to complete the merger and the right of Limelight to terminate the merger agreement under certain circumstances;

the risks and costs to EyeWonder if the merger is not completed, including the diversion of management and employee attention, potential employee attrition, the potential impact on the value of EyeWonder s stock and the effect on EyeWonder s business relationships;

the potential limitations on EyeWonder s pursuit of business opportunities due to pre-closing covenants in the merger agreement whereby EyeWonder agreed that it will carry on its business in the ordinary course of business consistent with past practice, and subject to specified exceptions, will not take certain actions related to the conduct of its business without the prior written consent of Limelight;

the requirement that, unless the merger agreement is earlier terminated by EyeWonder as a result of a receipt of a superior proposal, EyeWonder must submit the merger agreement for adoption by EyeWonder s stockholders even if the EyeWonder board of directors withdraws its recommendation of the merger;

the directors, executive officers and certain other stockholders holding shares that together represent more than 50% of EyeWonder s outstanding capital stock eligible to vote at the EyeWonder special meeting would be entering into voting agreements to vote in favor of the merger, thereby assuring that even if the EyeWonder board of directors changed its recommendation to vote against the merger under circumstances in which EyeWonder is not entitled to terminate the merger agreement, those directors, executive officers and other stockholders would still be required to approve the merger proposal, and would have sufficient voting power to assure approval;

the directors, executive officers and certain other stockholders holding shares that together represent more than 50% of EyeWonder s outstanding capital stock eligible to vote at the EyeWonder special meeting would be entering into stock purchase agreements giving Limelight the option to purchase such shares from the directors, executive officers and other stockholders if EyeWonder terminates the merger agreement to pursue a superior alternative transaction, thereby assuring that even if the EyeWonder board of directors terminated the merger agreement to pursue a superior alternative transaction, Limelight would have the right to purchase the shares from those directors, executive officers and other stockholders and therefore potentially prevent a superior alternative transaction from being approved;

the possibility that the $3.5 million termination fee payable to Limelight might discourage a competing proposal to acquire EyeWonder or reduce the price of any such proposal;

the interests that certain of EyeWonder s directors and executive officers have with respect to the merger in addition to their interests as EyeWonder stockholders generally, as described in Interests of EyeWonder s Executive Officers and Directors in the Merger on page 87;

the fees and expenses associated with completing the merger; and

various other applicable risks associated with the combined company and the merger, including those described elsewhere in this proxy statement/prospectus in the section entitled Risk Factors on page 26.

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The preceding discussion of the information and factors considered by the EyeWonder board of directors is intended to be illustrative and not exhaustive. In light of the variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the EyeWonder board of directors did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weights to the various factors considered in reaching its determination, and individual directors may have given different weight to different factors. In addition, the EyeWonder board of directors did not reach any specific conclusion with respect to any of the factors or reasons considered. Instead, the EyeWonder board of directors conducted an overall analysis of the factors and reasons described above and determined that, in the aggregate, the potential benefits considered outweighed the potential risks or possible negative consequences of approving the merger, adopting the merger agreement and recommending that EyeWonder stockholders vote FOR the adoption of the merger agreement.

After careful consideration and deliberation, and based on the foregoing analysis, as well as information evaluated at board meetings, the EyeWonder board of directors determined that the transaction is advisable, and is fair to and in the best interests of EyeWonder and its stockholders, and unanimously adopted the merger agreement and approved the transactions contemplated thereby. The EyeWonder board of directors unanimously recommended that the EyeWonder stockholders adopt the merger agreement and approve the transactions contemplated thereby.

Opinion of Limelight s Financial Advisor

Jefferies & Company, Inc., (Jefferies), was engaged to render an opinion to the board of directors as to whether the consideration to be paid by Limelight pursuant to the merger agreement was fair, from a financial point of view, to Limelight. On December 18, 2009, Jefferies delivered to the board of directors its oral opinion, subsequently confirmed in writing, that, as of the date of its opinion, based upon and subject to the assumptions, limitations, qualifications, and factors contained in its opinion, the consideration (as defined in the opinion) to be paid by Limelight pursuant to the merger agreement was fair, from a financial point of view, to Limelight.

The full text of Jefferies opinion, which sets forth, among other things, the assumptions made, matters considered and limitations on the scope of review undertaken by Jefferies in rendering its opinion, is attached to this proxy statement/prospectus as Annex F. Limelight encourages its stockholders to read the Jefferies opinion carefully and in its entirety. Jefferies opinion was provided to the Limelight board of directors in connection with its consideration of the merger and addresses only the fairness to Limelight, from a financial point of view and as of the date of Jefferies opinion, of the consideration (as defined in the opinion) to be paid by Limelight pursuant to the merger agreement and does not address any other aspect of the merger. Jefferies opinion does not constitute a recommendation as to how any Limelight stockholder, or any other person, including any EyeWonder stockholder, should vote or act with respect to the merger or any matter related thereto. The summary of Jefferies opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion.

In connection with its opinion, Jefferies, among other things:

(i) reviewed a draft dated December 17, 2009 of the merger agreement;

(ii) reviewed certain publicly available financial and other information about Limelight and EyeWonder;

(iii) reviewed certain information furnished by Limelight and EyeWonder s management, including financial forecasts and analyses, relating to the business, operations and prospects of Limelight and/or EyeWonder;

(iv) held discussions with members of senior management of Limelight and EyeWonder concerning the matters described in clauses (ii) and (iii) above;

(v) compared EyeWonder to publicly traded companies that Jefferies deemed relevant;

(vi) compared the proposed financial terms of the merger with the financial terms of certain other transactions that Jefferies deemed relevant;

(vii) considered the potential pro forma impact of the merger; and

(viii) conducted such other financial studies, analyses and investigations as Jefferies deemed appropriate.

In Jefferies review and analysis and in rendering its opinion, Jefferies assumed and relied upon, but did not assume any responsibility to independently investigate or verify, the accuracy and completeness of all financial and other information that was supplied or otherwise made available by Limelight or EyeWonder or that was publicly available to Jefferies (including, without limitation, the information described above), or that was otherwise reviewed by it. In its review, Jefferies did not obtain any independent evaluation or appraisal of any of the assets or liabilities of, nor did Jefferies conduct a physical inspection of any of the properties or facilities of, Limelight or EyeWonder, nor was Jefferies furnished with any such evaluations or appraisals of such physical inspections, nor did Jefferies assume any responsibility to obtain any such evaluations or appraisals.

With respect to the financial forecasts provided to and examined by it, Jefferies opinion noted that projecting future results of any company is inherently subject to uncertainty. Limelight and EyeWonder informed Jefferies, however, and Jefferies assumed, that such financial forecasts were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Limelight as to the future financial performance of Limelight, and Limelight and EyeWonder as to the financial performance of EyeWonder. Jefferies expressed no opinion as to such financial forecasts or the assumptions on which they were made.

Jefferies opinion was based on economic, monetary, regulatory, market and other conditions existing and which could be evaluated as of the date of its opinion. Jefferies expressly disclaimed any undertaking or obligation to advise any person of any change in any fact or matter affecting Jefferies opinion of which Jefferies may become aware after the date of its opinion.

Jefferies made no independent investigation of any legal or accounting matters affecting Limelight or EyeWonder, and Jefferies assumed the correctness in all respects material to Jefferies analysis of all legal and accounting advice given to Limelight and the Limelight board of directors, including, without limitation, advice as to the legal, accounting and tax consequences of the terms of, and transactions contemplated by, the merger agreement to Limelight and its stockholders. Jefferies was advised by Limelight that the merger would qualify as a tax-free reorganization for federal income tax purposes. Jefferies assumed that the final form of the merger agreement would be substantially similar to the last draft reviewed by it. In addition, Jefferies assumed that in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Limelight, EyeWonder or the contemplated benefits of the merger.

Jefferies opinion was for the use and benefit of the Limelight board of directors in its consideration of the merger, and Jefferies opinion did not address the relative merits of the transactions contemplated by the merger agreement as compared to any alternative transaction or opportunity that might be available to Limelight, nor did it address the underlying business decision by Limelight to engage in the merger or the terms of the merger agreement or the documents referred to therein. In addition, Jefferies opinion does not constitute a recommendation as to how any stockholder of Limelight, or any other person, including any stockholder of EyeWonder, should vote or act with respect to the merger or any matter related thereto. Jefferies expressed no opinion as to the price at which shares of Limelight common stock will trade at any time.

In addition, Jefferies was not requested to and did not provide advice concerning the structure, the specific amount of the consideration, or any other aspects of the merger, or to provide services other than the delivery of

the opinion. Jefferies was not authorized to and did not solicit any expressions of interest from any other parties with respect to the acquisition of EyeWonder or any other strategic alternative. Jefferies did not participate in negotiations with respect to the terms of the merger and related transactions. Consequently, Jefferies assumed that such terms are the most beneficial terms from Limelight s perspective that could under the circumstances be negotiated among the parties to such transactions, and no opinion is expressed whether any strategic alternative might be more favorable to Limelight than that contemplated by the merger agreement. In addition, Jefferies has been informed by Limelight, and assumes for all purposes in the opinion that all outstanding options, warrants or similar instruments of Limelight, as well as any benefit or similar plan, will be cancelled without any liability to Limelight or EyeWonder. Furthermore, Jefferies does not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable or to be received by any of Limelight s or EyeWonder s officers, directors or employees, or any class of such persons, in connection with the merger relative to the consideration being paid by Limelight.

In preparing its opinion, Jefferies performed a variety of financial and comparative analyses. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant quantitative and qualitative methods of financial analysis and the applications of those methods to the particular circumstances and, therefore, is not necessarily susceptible to partial analysis or summary description. Jefferies believes that its analyses must be considered as a whole. Considering any portion of Jefferies analyses or the factors considered by Jefferies, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the conclusion expressed in Jefferies opinion. In addition, Jefferies may have given various analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions, so that the range of valuation resulting from any particular analysis described below should not be taken to be Jefferies view of EyeWonder s actual value. Accordingly, the conclusions reached by Jefferies are based on all analyses and factors taken as a whole and also on the application of Jefferies own experience and judgment. This summary is qualified in its entirety by reference to the full text of the opinion, attached as Annex F to this proxy statement/prospectus.

In performing its analyses, Jefferies considered numerous assumptions with respect to industry performance, general business, economic, monetary, regulatory, market and other conditions and other matters, many of which are beyond Limelight s and Jefferies control. The analyses performed by Jefferies are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the per share value of Limelight common stock do not purport to be appraisals or to reflect the prices at which Limelight common stock may actually be sold. The analyses performed were prepared solely as part of Jefferies analysis of the fairness, from a financial point of view, of the merger consideration to be paid by Limelight pursuant to the merger, and were provided to the Limelight board of directors in connection with the delivery of Jefferies opinion.

The following is a summary of the material financial and comparative analyses performed by Jefferies in connection with Jefferies delivery of its opinion. The financial analyses summarized below include information presented in tabular format. In order to fully understand Jefferies financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Jefferies financial analyses.

Transaction Overview

For purposes of its opinion, Jefferies noted that the consideration pursuant to the merger agreement was $62.0 million cash and 12.74 million shares of Limelight stock (valued at $47.8 million based on Limelight share price of $3.75 as of close on December 17, 2009) plus an earnout of up to 4.0 million Limelight shares subject to revenue and EBITDA financial year 2010 targets as set forth in the merger agreement and an earnout of an additional 860,000 Limelight shares subject to the completion of a proposed acquisition of a third party as set forth in the merger agreement. For all purposes in connection with its opinion, Jefferies assumed, among other

things, that based on EyeWonder s financial year 2010 plan of $53.0 million revenue and $13.8 million EBITDA, the earnout would result in 3.0 million shares (valued at $11.3 million based on Limelight share price of $3.75 as of close on December 17, 2009), that the proposed third party acquisition would not be consummated and that if the consideration was adjusted in respect of any assets or liabilities of EyeWonder, such adjustments would be made on a dollar-for-dollar basis corresponding to the actual increase or decrease in such assets or liabilities. Thus for all purposes of the opinion and related analyses Jefferies assumed that any adjustments to the consideration would have no net affect on the fairness, from a financial point of view, to Limelight, of the consideration to be paid by Limelight pursuant to the merger agreement.

EyeWonder Analysis

Comparable Public Company Analysis. Using publicly available information and information provided by EyeWonder s management, Jefferies analyzed the trading multiples of the following companies which it considered to have similar products, operating and financial characteristics, and markets compared to EyeWonder:

- Google Inc.;
- Microsoft Corp.;
- DG FastChannel;
- Yahoo! Inc.;
- WPP plc;
- Gannett Co., Inc.;

In its analysis, Jefferies derived and compared multiples for the selected companies, calculated as follows:

- the enterprise value divided by trailing twelve month, or TTM, revenue, which is referred to as Total Enterprise Value/TTM Revenue;
- the enterprise value divided by projected revenue for calendar year 2009, which is referred to as Total Enterprise Value/CY2009E Revenue;
- the enterprise value divided by projected revenue for calendar year 2010, which is referred to as Total Enterprise Value/CY2010E Revenue;
- the enterprise value divided by TTM adjusted earnings before interest, taxes, depreciation and amortization, or EBITDA, which is referred to as Total Enterprise Value/TTM EBITDA;
- the enterprise value divided by projected adjusted EBITDA for calendar year 2009, which is referred to as Total Enterprise Value/CY2009E EBITDA;

the enterprise value divided by projected adjusted EBITDA for calendar year 2010, which is referred to as Total Enterprise Value/CY2010E EBITDA;

the price per share divided by TTM adjusted earnings per share, or EPS, which is referred to as TTM P/E;

the price per share divided by projected adjusted EPS for calendar year 2009, which is referred to as CY2009E P/E; and

the price per share divided by projected adjusted EPS for calendar year 2010, which is referred to as CY2010E P/E.

In calculating the EBITDA and EPS multiples described above, Jefferies excluded from the historical and projected EBITDA and EPS for each of the companies, as applicable, stock-based compensation expense and other non-recurring charges, in each case when such information was available.

This analysis indicated the following:

Comparable Public Company Multiples

Benchmark	High	Low	Median
Total Enterprise Value/TTM Revenue	7.6x	1.1x	3.5x
Total Enterprise Value/CY2009E Revenue	7.3x	1.2x	3.5x
Total Enterprise Value/CY2010E Revenue	6.3x	1.2x	3.2x
Total Enterprise Value/TTM EBITDA	16.6x	5.8x	10.3x
Total Enterprise Value/CY2009E EBITDA	15.7x	6.9x	10.1x
Total Enterprise Value/CY2010E EBITDA	13.4x	6.4x	9.0x
TTM P/E	33.6x	13.6x	24.6x
CY2009E P/E	29.3x	8.6x	20.0x
CY2010E P/E	22.7x	8.6x	17.4x

Using a reference range of 2.5x to 4.5x EyeWonder s TTM revenues, 2.5x to 4.5x EyeWonder s CY2009E Revenue, and 2.0x to 4.0x EyeWonder s CY2010E Revenue at EyeWonder 2010 plan and 2.0x to 4.5x EyeWonder s CY2010E Revenue assuming full earnout targets are achieved, Jefferies determined an implied net transaction value for EyeWonder. This analysis indicated an implied equity value range for EyeWonder of approximately $78.8 million to $143.5 million using TTM revenues, and $89.2 million to $162.2 million using CY2009E Revenue, and $104.1 million to $210.2 million using CY2010E Revenue at the EyeWonder 2010 plan and $108.0 million to $245.5 million using CY2010E Revenue assuming the full earnout targets are achieved, compared to the $109.8 million of net transaction value of the upfront consideration, $121.0 million of net transaction value assuming the earnout at EyeWonder 2010 Plan, and $124.8 million of net transaction value assuming the full earnout payment.

Using a reference range of 9.0x to 11.0x EyeWonder s TTM EBITDA, 9.0x to 11.0x EyeWonder s CY2009E EBITDA, and 8.0x to 10.0x EyeWonder s CY2010E EBITDA at EyeWonder 2010 plan and 8.0x to 11.0x EyeWonder s CY2010E EBITDA assuming full earnout targets are achieved, Jefferies determined an implied net transaction value for EyeWonder. This analysis indicated an implied equity value range for EyeWonder of approximately $20.0 million to $24.9 million using TTM EBITDA, and $43.5 million to $53.7 million using CY2009E EBITDA, and $108.4 million to $136.0 million using CY2010E EBITDA at the EyeWonder 2010 plan and $110.0 million to $152.0 million using CY2010E EBITDA assuming the full earnout targets are achieved, compared to the $109.8 million of net transaction value of the upfront consideration, $121.0 million of net transaction value assuming the earnout at EyeWonder 2010 Plan, and $124.8 million of net transaction value assuming the full earnout payment.

Using a reference range of 25.0x to 30.0x EyeWonder s TTM Net Income, 25.0x to 30.0x EyeWonder s CY2009E Net Income, and 20.0x to 25.0x EyeWonder s CY2010E Net Income at EyeWonder 2010 plan and 20.0x to 30.0x EyeWonder s CY2010E Net Income assuming full earnout targets are achieved, Jefferies determined an implied net transaction value for EyeWonder. This analysis indicated an implied equity value range for EyeWonder of approximately $8.6 million to $10.4 million using TTM P/E, and $41.7 million to $50.0 million using CY2009E P/E, and $140.8 million to $176.0 million using CY2010E P/E at the EyeWonder 2010 plan and $146.0 million to $219.0 million using CY2010E P/E assuming the full earnout targets are achieved, compared to the $109.8 million of net transaction value of the upfront consideration, $121.0 million of net transaction value assuming the earnout at EyeWonder 2010 Plan, and $124.8 million of net transaction value assuming the full earnout payment.

No company utilized in the comparable company analysis is identical to EyeWonder. In evaluating the selected companies, Jefferies made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond EyeWonder s and Jefferies control.

Comparable Transaction Analysis

Using publicly available and other information, Jefferies examined the following seven transactions representing acquisitions of North American interactive marketing and video/rich media advertiser technology companies announced since 2007. Jefferies analysis also included an examination of two other confidential transactions, the details of which Jefferies was able to include in its analysis on a no-names basis. The transactions considered and the month and year each transaction was announced were as follows:

Target	Acquiror	Month and Year Announced
Retail Convergence, Inc.	GSI Commerce Inc.	October 2009
Razorfish	VivaKi	August 2009
On2 Technologies Inc.	Google Inc.	August 2009
Enliven Marketing Technologies Corporation	DG FastChannel, Inc.	May 2008
e-Dialog, Inc.	GSI Commerce Inc.	January 2008
aQuantive, Inc.	Microsoft Corp.	May 2007
24/7 Real Media Inc.	WPP Group plc	May 2007

Using publicly available estimates and other information for each of these transactions, Jefferies reviewed the transaction value as a multiple of the target company s TTM Revenue immediately preceding announcement of the transaction, which is referred to below as Total Enterprise Value/TTM Revenue. In each case, the price paid in the transaction was adjusted for the target s cash and debt at the time of acquisition when such information was available.

This analysis indicated the following:

Selected Comparable Transaction Multiples

Benchmark	High	Low	Median
Total Enterprise Value/TTM Revenue	31.0x	1.4x	4.8x

Using a reference range of 2.5x to 5.5x EyeWonder s TTM Revenue, Jefferies determined an implied net transaction value for EyeWonder. This analysis indicated an implied equity value range for EyeWonder of approximately $78.8 million to $175.8 million using TTM Revenue, compared to the $109.8 million of net transaction value of the upfront consideration, $121.0 million of net transaction value assuming the earnout at EyeWonder 2010 Plan, and $124.8 million of net transaction value assuming the full earnout payment.

No transaction utilized as a comparison in the comparable transaction analysis is identical to the merger. In evaluating the merger, Jefferies made numerous judgments and assumptions with regard to industry performance, general business, economic, market, and financial conditions and other matters, many of which are beyond EyeWonder s and Jefferies control. Mathematical analysis, such as determining the average or the median, is not in itself a meaningful method of using comparable transaction data.

Discounted Cash Flow Analysis

While discounted cash flow is a commonly used valuation methodology, Jefferies did not employ such an analysis for the purposes of its opinion with respect to the merger. Discounted cash flow analysis is most

appropriate for companies that exhibit relatively steady or somewhat predictable streams of future cash flow. Given the uncertainty in estimating both the future cash flows and a sustainable long-term growth rate for EyeWonder, and the absence of financial projections for more than one year with respect to EyeWonder, Jefferies considered a discounted cash flow analysis inappropriate for valuing EyeWonder.

Pro Forma Merger Analysis

Jefferies reviewed the impact of the merger on earnings by comparing the earnings per share of Limelight common stock on a standalone basis projected by Limelight s management to the pro forma earnings per share of the combined company following the merger, using publicly available projections for Limelight, projections prepared by EyeWonder s management and forecasts of synergies prepared by Limelight and EyeWonder management. Jefferies assumed a closing date of the merger of March 31, 2010. Based on this analysis, the merger would be accretive to Limelight s stockholders on a GAAP and non-GAAP earnings per share basis in 2010, both before and after taking into account of the forecasts of synergies prepared by Limelight and EyeWonder management.

Miscellaneous

Jefferies opinion was one of many factors taken into consideration by the Limelight board of directors in its consideration of the merger and should not be considered determinative of the views of the Limelight board of directors with respect to the merger.

Jefferies was selected by Limelight based on Jefferies qualifications, expertise and reputation. Jefferies is an internationally recognized investment banking and advisory firm. Jefferies, as part of its investment banking business, is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements, financial restructurings and other financial services. Jefferies opinion was authorized by the fairness committee of Jefferies.

Pursuant to an engagement letter between Limelight and Jefferies dated November 30, 2009, Limelight paid Jefferies a fee of $425,000 upon delivery of Jefferies opinion. No portion of that fee was contingent upon either the conclusion expressed in the opinion or the consummation of the merger. In addition, Limelight has agreed to reimburse Jefferies for reasonable expenses incurred, including the reasonable fees and expenses of Jefferies legal counsel. Limelight also has agreed to indemnify Jefferies against liabilities arising out of or in connection with the services rendered and to be rendered by it under its engagement with Limelight. Jefferies maintains a market in the securities of Limelight, and in the ordinary course of its business, Jefferies and its affiliates may trade or hold securities of Limelight and its respective affiliates for Jefferies own account and for the accounts of Jefferies customers and, accordingly, may at any time hold long or short positions in those securities. In addition, Jefferies may seek, in the future, to provide financial advisory and financing services to EyeWonder, Limelight or entities that are affiliated with EyeWonder or Limelight, for which Jefferies would expect to receive compensation.

Interests of Limelight s Executive Officers and Directors in the Merger

On February 8, 2010, the Compensation Committee of the Board of Directors of Limelight granted Jeffrey W. Lunsford, Limelight s President, Chief Executive Officer and Chairman, 300,000 restricted stock units. Up to 50% of the restricted stock units become eligible for vesting based on the consolidated revenue for the calendar year ending December 31, 2010 for the EyeWonder business unit, and up to 50% of the restricted stock units become eligible for vesting based on the EBITDA for the calendar year ending December 31, 2010 for the EyeWonder business unit. The restricted stock units vest in three tranches, the first of which will vest on the third business day following the release of Limelight s fiscal year 2010 financial results (or upon such later

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time as the EyeWonder business unit s fiscal year 2010 financial results become available), the second of which will vest on December 31, 2011 and the third of which will vest on December 31, 2012 provided that Mr. Lunsford remains an employee or service provider of Limelight on each vesting date. In the event that Mr. Lunsford s employment is terminated without cause following January 1, 2011, all eligible but unvested restricted stock units will automatically vest.

Interests of EyeWonder s Executive Officers and Directors in the Merger

In considering the recommendation of the EyeWonder board of directors that EyeWonder s stockholders vote to adopt the merger proposal, EyeWonder s stockholders should be aware that EyeWonder s executive officers and directors have financial interests in the merger that are different from, or in addition to, those of EyeWonder s stockholders generally and that are described below. The members of EyeWonder s board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement, and in recommending to the stockholders that the merger agreement be approved and adopted. These interests include, among other things, the following:

Equity Compensation Awards

The merger agreement provides that, upon completion of the merger, Limelight will allocate and grant in its sole discretion after consultation with John J. Vincent options to acquire 1,000,000 shares of Limelight common stock among the employees of EyeWonder who will continue as employees of the surviving entity of the merger. The options to acquire shares of Limelight common stock will be issued to the continuing employees pursuant to Limelight s 2007 Equity Incentive Plan and vest 25% on the first anniversary of their issuance date and monthly over a three (3) year term thereafter, subject to continued service on each vesting date. The merger agreement also provides that, upon completion of the merger, Limelight will (i) establish an employee retention plan for the employees of EyeWonder who will continue as employees of the surviving entity of the merger and (ii) issue 1,000,000 restricted stock units of Limelight under Limelight s 2007 Equity Incentive Plan to the continuing employees subject to forfeiture for failure to satisfy certain performance metrics. Please see The Merger Agreement Employee Matters beginning on page 106 for a detailed discussion of the treatment of benefit plans.

Employment Agreements and Offer Letters

In connection with, and effective upon the closing of, the merger, John J. Vincent has entered into an employment agreement with Limelight to serve as Chief Executive Officer of the surviving entity, Thomas Falk and Limelight intend to enter into a consulting agreement pursuant to which Mr. Falk will provide ongoing consulting services to Limelight following the merger, and certain other officers may also enter into offer letters or employment agreements for employment with Limelight. The merger agreement provides that except as may be required by law, for a period of one (1) year following the merger, the continuing employees will receive base and salary compensation (excluding any equity based compensation) that is no less than the compensation received by the continuing employees immediately prior to the merger.

John J. Vincent Agreement. In connection with the merger, Limelight and Mr. Vincent have entered into an employment agreement, effective upon the closing of the merger. At the effective time of the merger, Mr. Vincent will serve as Chief Executive Officer of the surviving entity at a base salary of $250,000 annually. Mr. Vincent will be eligible to receive annual cash incentives payable for the achievement of Limelight, business unit or individual performance goals as established or approved by its board of directors. In addition, Mr. Vincent will receive a grant of 750,000 restricted stock units covering shares of Limelight s common stock that will be scheduled to vest in equal quarterly installments over a period of four (4) years, subject to Mr. Vincent s continued service through each vesting date. In the event of a change of control (as defined in the employment agreement), 50% of Mr. Vincent s outstanding equity awards will immediately vest. If Mr. Vincent is terminated

by Limelight without cause (as defined in the employment agreement) and such termination is not in connection with a change of control (as defined in the employment agreement), Mr. Vincent will receive: (i) a lump sum payment equal to ninety (90) days of his base salary, (ii) 25% of his earned bonus, with such amount pro-rated based on the date of termination, and (iii) reimbursement for premiums paid for continued health benefits for Mr. Vincent and his eligible dependents for no longer than ninety (90) days. If Mr. Vincent s employment is terminated due to Mr. Vincent s disability (as defined in the employment agreement), Mr. Vincent will receive a payment equal to ninety (90) days of his base salary. If Mr. Vincent s employment is terminated by Limelight without cause or if he terminates his employment for good reason (as defined in the employment agreement), and in either event such termination is in connection with a change of control, then Mr. Vincent will receive: (i) a lump sum payment equal to ninety (90) days of his base salary, (ii) a payment equal to 25% of his target annual incentive for the year of his termination, (iii) 100% vesting of his outstanding equity awards, and (iv) reimbursement for premiums paid for continued health benefits for Mr. Vincent and his eligible dependents for no longer than ninety (90) days. Any severance benefits discussed above will be payable only upon Mr. Vincent executing, and not revoking, a release of claims in favor of Limelight, and Mr. Vincent s continued compliance with the provisions of a non-compete agreement entered into between Limelight and Mr. Vincent.

Thomas Falk Agreement. In connection with the merger, Limelight and Mr. Falk intend to enter into a consulting agreement which will become effective upon consummation of the merger. Beginning at the effective time of the merger, Mr. Falk will provide ongoing consulting services to Limelight including providing assistance in integration efforts and recruiting. Limelight contemplates that the consulting agreement will continue until Mr. Falk s service to Limelight is completed, or until Limelight terminates the consulting agreement. Limelight may terminate the consulting agreement upon fourteen (14) days written notice to Mr. Falk and may terminate the consulting agreement immediately and without notice if Mr. Falk is unable to perform the services required by the consulting agreement or is in breach of any material provision of the consulting agreement. As compensation for his services, Mr. Falk will receive a grant of 197,500 restricted stock units covering shares of Limelight s common stock. The restricted stock units will be scheduled to vest in equal quarterly installments over four (4) years commencing on the effective date of the merger, subject to Mr. Falk s continued service through each vesting date.

Agreements with other officers. Certain other EyeWonder officers may also enter into offer letters or employment agreements for employment with Limelight. Any such agreements would not become effective until the merger is completed.

Severance Benefits in Certain Employment Agreements

Each of John J. Vincent, Jerome F. Connell, Jr., Patrick McClellen and Michael Rosner are party to employment agreements with EyeWonder that provide for severance benefits if their employment is terminated by their employer for any reason other than cause (as defined in the respective employment agreement), or if their employment is terminated due to disability (as defined in the respective employment agreement). The employment agreement for each of Mr. Vincent and Mr. Connell provides that if his employment (i) terminates due to disability, he would be entitled to receive continued cash severance payments equal to his current base salary for a period of ninety (90) days, reduced by any amounts received by him under any insurance or other benefits policies or programs (whether paid for by such executive officer or EyeWonder) and, (ii) is terminated for any other reason other than cause, he would be entitled to receive continued cash severance payments equal to his base salary for a period of sixty (60) days. The employment agreement for each of Mr. McClellen and Mr. Rosner provides that if he is terminated for any reason other than for cause or if he is terminated due to disability, he would be entitled to receive continued cash severance payments equal to his base salary for a period of sixty (60) days, but such payments shall be reduced in the case of disability by any amounts received by them under any insurance or other benefits policies or programs (whether paid for by the executive officer or EyeWonder).

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The information for each of Mr. Vincent, Mr. Connell, Mr. McClellen and Mr. Rosner regarding severance payments if his employment is terminated for certain reasons, as of March 1, 2010, is set forth in the table below.

Name	Benefit	Termination Other Than for Cause or Disability	Termination for Disability
John J. Vincent	Severance	$ 41,667	$ 62,500
Jerome F. Connell, Jr.	Severance	$ 35,000	$ 52,500
Patrick McClellen	Severance	$ 33,333	$ 33,333
Michael Rosner	Severance	$ 37,500	$ 37,500

Board of Directors and Management

Following the Closing, John J. Vincent, the current Chief Executive Officer of EyeWonder, will be the Chief Executive Officer of EyeWonder, which will operate as a wholly owned subsidiary of Limelight. In addition, two individuals from the current EyeWonder board of directors, John J. Vincent and Thomas Falk, will be appointed to the Limelight board of directors.

Protection of EyeWonder Directors and Officers Against Claims

Limelight has agreed to, and agreed to cause the surviving entity in the merger to, indemnify and hold harmless each present and former officer, director and employee of EyeWonder and its subsidiaries, or any individual who was serving at the request of EyeWonder as an officer, director or employee of another enterprise, from liability for matters arising in their capacities as such at or prior to the completion of the merger to the fullest extent provided by EyeWonder s certificate of incorporation and bylaws. Limelight also has agreed that, for six (6) years after the merger, Limelight and the surviving entity in the merger will cause to be maintained in effect the existing policy of EyeWonder s directors and officers liability insurance covering claims that occurred at or prior to the completion of the merger, provided that Limelight or the surviving entity in the merger is not required to expend an amount in excess of 200% of the current annual premium for such insurance for the entire six (6) year period. In addition, Limelight has agreed to indemnify and hold harmless each present and former officer or director of EyeWonder with respect to any claim made by an EyeWonder stockholder that the officers or directors of EyeWonder breached their fiduciary duties in connection with the approval, execution, delivery or performance of the stock purchase agreements to the extent that such amounts exceed the full limits of the directors and officers liability insurance described above.

Continuation of Benefit Plans

The merger agreement provides that Limelight will either (i) continue (or cause the surviving entity to continue) to maintain the EyeWonder employee benefit plans, (ii) arrange for each participant in the EyeWonder employee benefit plans to participate in substantially similar plans or arrangements of Limelight or its subsidiary, or (iii) a combination of the foregoing so that continuing employees will have benefits substantially similar in the aggregate to benefits provided to similarly situated employees of Limelight and at least equivalent to the benefits provided to the continuing employees by EyeWonder immediately prior to the merger. Please see The Merger Agreement Employee Matters beginning on page 106 for a detailed discussion of the treatment of equity- based awards.

Appraisal Rights

Under Section 262 of the DGCL, any holder of EyeWonder common stock or preferred stock who does not wish to accept the merger consideration may elect to exercise appraisal rights in lieu of receiving the merger consideration. A stockholder who exercises appraisal rights may petition the Delaware Court of Chancery to determine the fair value of his, her or its shares, exclusive of any element of value arising from the accomplishment or expectation of the first-step merger, and receive payment of fair value in cash, together with interest, if any. However, the stockholder must comply with the provisions of Section 262 of the DGCL.

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The following discussion is a summary of the law pertaining to appraisal rights under the DGCL. The full text of Section 262 of the DGCL is attached to this proxy statement/prospectus as Annex E. All references in Section 262 of the DGCL and in this summary to a stockholder are to the record holder of the shares of EyeWonder common stock and preferred stock who exercises appraisal rights.

Under Section 262 of the DGCL, when a merger is submitted for approval at a meeting of stockholders, as in the case of the merger agreement, the company, not less than 20 days prior to the meeting, must notify each of its stockholders entitled to appraisal rights that appraisal rights are available and include in the notice a copy of Section 262 of the DGCL. This proxy statement/prospectus constitutes the required notice, and the applicable statutory provisions are attached to this proxy statement/prospectus as Annex E. This summary of appraisal rights is not a complete summary of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the text of Section 262 of the DGCL attached as Annex E. Any holder of EyeWonder common stock or preferred stock who wishes to exercise appraisal rights or who wishes to preserve the right to do so should review the following discussion and Annex E carefully. Failure to comply with the procedures of Section 262 of the DGCL in a timely and proper manner will result in the loss of appraisal rights. A stockholder who loses his, her or its appraisal rights will be entitled to receive the merger consideration described in the merger agreement.

Stockholders wishing to exercise the right to seek an appraisal of their shares must do ALL of the following:

- the stockholder must not vote in favor of the proposal to adopt the merger agreement. Because a proxy that does not contain voting instructions will, unless revoked, be voted in favor of the proposal, a stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the proposal, abstain or not vote its shares;

- the stockholder must deliver to EyeWonder a written demand for appraisal before the vote on the merger agreement at the special meeting;

- the stockholder must continuously hold the shares from the date of making the demand through the effective time of the first-step merger. A stockholder will lose appraisal rights if the stockholder transfers the shares before the effective time of the merger; and

- the stockholder or the surviving company must file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares within 120 days after the effective time of the first-step merger. The surviving company is under no obligation to file any petition and has no intention of doing so.

Voting, in person or by proxy, against, abstaining from voting on or failing to vote on the proposal to adopt the merger agreement will not constitute a written demand for appraisal as required by Section 262 of the DGCL. The written demand for appraisal must be in addition to and separate from any proxy or vote.

Only a holder of record of shares of EyeWonder common stock or preferred stock issued and outstanding immediately prior to the effective time of the first-step merger may assert appraisal rights for the shares of stock registered in that holder s name. A demand for appraisal must be executed by or on behalf of the stockholder of record, fully and correctly, as the stockholder s name appears on the stock certificates. The demand must reasonably inform EyeWonder of the identity of the stockholder and that the stockholder intends to demand appraisal of his, her or its common stock or preferred stock.

A stockholder who elects to exercise appraisal rights under Section 262 of the DGCL should mail or deliver a written demand to:

EyeWonder, Inc.

229 Peachtree Street NE

International Tower, Suite 1700

Atlanta, GA 30303

Attention: Corporate Secretary

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If the merger is completed, Limelight will give written notice of the effective time of the merger within 10 days after the effective time to each former EyeWonder stockholder who did not vote in favor of the merger proposal and who made a written demand for appraisal in accordance with Section 262 of the DGCL. Within 120 days after the effective time of the merger, but not later, either the surviving company or any dissenting stockholder who has complied with the requirements of Section 262 of the DGCL may file a petition in the Delaware Court of Chancery demanding a determination of the value of the shares of EyeWonder common stock and preferred stock held by all dissenting stockholders. The surviving company is under no obligation to file any petition and has no intention of doing so. Stockholders who desire to have their shares appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262 of the DGCL.

Within 120 days after the effective time of the first-step merger, any stockholder who, to that point in time, has complied with the provisions of Section 262 of the DGCL, may receive from the surviving company, upon written request, a statement setting forth the aggregate number of shares not voted in favor of the merger proposal and with respect to which EyeWonder has received demands for appraisal, and the aggregate number of holders of those shares. The surviving company must mail this statement to the stockholder within the later of 10 days of receipt of the request or 10 days after expiration of the period for delivery of demands for appraisal.

If any party files a petition for appraisal in a timely manner, the Delaware Court of Chancery will determine which stockholders are entitled to appraisal rights and may require the stockholders demanding appraisal who hold certificated shares to submit their stock certificates to the court for notation of the pendency of the appraisal proceedings and any stockholder who fails to comply with this direction may be dismissed from the proceedings. The Delaware Court of Chancery will thereafter determine the fair value of the shares of EyeWonder common stock and preferred stock held by dissenting stockholders, exclusive of any element of value arising from the accomplishment or expectation of the merger, but together with interest, if any, to be paid on the amount determined to be fair value.

In determining the fair value, the Delaware Court of Chancery will take into account all relevant factors. The Delaware Supreme Court has stated that proof of value by any techniques or methods that are generally considered acceptable in the financial community and otherwise admissible in court should be considered in the appraisal proceedings. In addition, Delaware courts have decided that the statutory appraisal remedy, in cases of unfair dealing, may or may not be a dissenter s exclusive remedy. If no party files a petition for appraisal in a timely manner, then stockholders will lose the right to an appraisal, and will instead receive the merger consideration described in the merger agreement. The fair value of their shares as determined under Section 262 of the DGCL could be greater than, the same as, or less than the merger consideration. An opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a merger is not an opinion as to, and does not in any manner address, fair value under Section 262 of the DGCL.

The Delaware Court of Chancery will determine the costs of the appraisal proceeding and will allocate those costs to the parties as the Delaware Court of Chancery determines to be equitable under the circumstances. Upon application of a stockholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including reasonable attorneys fees and the fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal.

Any stockholder who has duly demanded an appraisal in compliance with Section 262 of the DGCL may not, after the effective time of the first-step merger, vote the shares subject to the demand for any purpose or receive any dividends or other distributions on those shares, except dividends or other distributions payable to holders of record of shares as of a record date prior to the effective time of the first-step merger.

Any stockholder may withdraw a demand for appraisal and accept the merger consideration by delivering a written withdrawal of the demand for appraisal to the surviving company, except that any attempt to withdraw made more than 60 days after the effective time of the first-step merger will require written approval of the

surviving company, and no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery, and may be conditioned on the terms the Delaware Court of Chancery deems just. If the stockholder fails to perfect, successfully withdraws or loses the appraisal right, the stockholder s shares will be converted into the right to receive the merger consideration.

Failure to follow the steps required by Section 262 of the DGCL for perfecting appraisal rights may result in the loss of appraisal rights. In that event, you will be entitled to receive the consideration for your dissenting shares in accordance with the merger agreement. In view of the complexity of the provisions of Section 262 of the DGCL, if you are an EyeWonder stockholder and are considering exercising your appraisal rights under the DGCL, you should consult your own legal advisor.

Regulatory Approvals Required for the Merger

Limelight and EyeWonder have agreed to use commercially reasonable efforts to obtain as soon as reasonably practicable all regulatory approvals that are required to complete the transactions contemplated in the merger agreement. This includes filing all required notices to governmental authorities, including the required filings with the DOJ and the FTC, pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, referred to herein as the HSR Act. Limelight and EyeWonder filed the applications to obtain the applicable regulatory approvals on January 25, 2010. On January 29, 2010, the Premerger Notification Office of the FTC informed the parties that early termination of the statutory waiting period had been granted.

Based upon an examination of information available relating to the businesses in which the companies are engaged, Limelight and EyeWonder believe that the completion of the merger will not violate any U.S. antitrust laws. However, either the DOJ or FTC could open an investigation of the merger and could also challenge or seek to block the merger under the antitrust laws, as it deems necessary or desirable in the public interest, even after the statutory waiting period has been early terminated, and even after completion of the merger. State attorneys general in the various states in which Limelight and EyeWonder operate may also open an investigation of the merger. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after completion of the merger. Limelight and EyeWonder cannot be sure that a challenge to the merger will not be made or that, if a challenge is made, Limelight and EyeWonder will prevail.

Limelight must also comply with applicable federal and state securities laws and the rules and regulations of The Nasdaq Stock Market, Inc. in connection with the issuance of shares of Limelight common stock in the merger and the filing of this proxy statement/prospectus with the SEC.

Restrictions on Resales

The shares of Limelight common stock to be issued to EyeWonder securityholders in the merger will be registered under the Securities Act of 1933 and, except as described below, may be freely traded without restriction. Pursuant to the merger agreement, certain principal stockholders of EyeWonder have entered into a restriction agreement with Limelight and may only dispose of their shares of Limelight common stock acquired in the merger in accordance with the terms of the restriction agreement. Generally, the restrictions lapse ratably over a twelve month period after the closing of the merger, subject to certain exceptions.

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THE MERGER AGREEMENT

The following description describes the material terms of the merger agreement. This description of the merger agreement is qualified in its entirety by reference to the full text of the merger agreement which is attached as Annex A to this proxy statement/prospectus and is incorporated herein by reference. The merger agreement has been included to provide you with information regarding its terms. Limelight and EyeWonder encourage you to read the entire merger agreement. The merger agreement is not intended to provide any other factual information about Limelight or EyeWonder. Such information can be found elsewhere in this proxy statement/prospectus and in the other public filings Limelight makes with the Securities and Exchange Commission, which are available without charge at www.sec.gov.

The Merger

Each of the EyeWonder board of directors and Limelight board of directors has approved the merger agreement which provides for the merger of Elvis Merger Sub One Corporation with and into EyeWonder, with EyeWonder, as a wholly owned subsidiary of Limelight, remaining as the interim surviving entity, immediately followed by the merger of the interim surviving entity with and into Elvis Merger Sub Two LLC, with Elvis Merger Sub Two LLC remaining as the surviving entity. The first-step merger and the second-step merger are referred to collectively as the merger unless otherwise indicated herein.

Merger Consideration

It is anticipated that 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.

Each share of EyeWonder common stock issued and outstanding immediately prior to the effective time of the first-step merger will be converted into the right to receive (A) the Per Share Stock Consideration and (B) the Per Share Cash Consideration, each as described below.

The Per Share Stock Consideration is to be determined by dividing (A) 12,740,000 shares of Limelight common stock by (B) the total of (i) the aggregate number of shares of EyeWonder common stock issued and outstanding immediately prior to the effective time of the first-step merger, plus (ii) the maximum aggregate number of shares of EyeWonder common stock issuable upon full exercise of all EyeWonder options and warrants which are outstanding as of immediately prior to the effective time of the first-step merger.

The Estimated Adjusted Cash Consideration is to be determined by computing the sum of (A) $62 million, plus (B) the estimated aggregate value of EyeWonder s cash and cash equivalents immediately prior to the effective time of the first-step merger, minus (C) the estimated net indebtedness of EyeWonder immediately prior to the effective time of the first-step merger minus (D) the estimated change of control and third party fees incurred by EyeWonder in connection with the merger that remain unpaid immediately prior to the effective time of the first-step merger. The Estimated Adjusted Cash Consideration shall be further adjusted either upward or downward based on the absolute difference between the estimated working capital of EyeWonder as of immediately prior to the effective time of the first-step merger and $8.3 million. The Per Share Cash Consideration is to be determined by dividing the Estimated Adjusted Cash Consideration by the total of (i) the aggregate number of shares of EyeWonder common stock issued and outstanding immediately prior to the effective time of the first-step merger, plus (ii) the maximum aggregate number of shares of EyeWonder common stock issuable upon full exercise of all EyeWonder options and warrants which are outstanding as of immediately prior to the effective time of the first-step merger.

An amount of Limelight common stock and cash equal to the escrow amount (as described below) will be withheld pro rata from the Per Share Stock Consideration and the Per Share Cash Consideration, as applicable,

paid to EyeWonder securityholders at the effective time of the merger and placed in the escrow account. If funds remain in the escrow account after the expiration of the escrow period, such funds will be distributed pro rata to such securityholders.

The actual Per Share Stock Consideration and Per Share Cash Consideration to be paid per share of EyeWonder capital stock at closing will depend upon numerous variable factors, including the total cash consideration payable after adjustments for the estimated working capital, the net indebtedness at the effective time of the merger, and the aggregate cash at the effective time of the merger. These factors will not be known with certainty until after the closing of the merger. EyeWonder currently estimates that the adjustments to the cash portion of the merger consideration 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. On April 1, 2010, the last trading day before the date of this proxy statement/prospectus, the closing price of Limelight common stock was $3.63 per share. 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 securityholders will receive approximately 0.4073 shares of Limelight common stock for each share of EyeWonder common stock they hold upon completion of the merger. 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 additional information regarding what EyeWonder securityholders will receive in the merger, see the section entitled Summary The Merger Agreement Merger Consideration beginning on page 14.

EyeWonder, Limelight, the surviving entities and the escrow agent will be entitled to deduct and withhold from any merger consideration payable to any EyeWonder securityholder the amounts they are required to deduct and withhold under any federal, state, local or foreign tax law. To the extent such amounts are deducted or withheld, these amounts will be treated for all purposes of the merger as having been paid to the EyeWonder securityholders to whom they would have otherwise been paid.

For purposes of calculating the amount of merger consideration payable to each EyeWonder securityholder, all shares of EyeWonder capital stock held by each EyeWonder security holder will be aggregated on a certificate-by-certificate basis prior to such calculation, including shares underlying EyeWonder options and/or warrants. The stock consideration will be adjusted appropriately to reflect the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into shares of Limelight s common stock), reorganization, recapitalization, reclassification or other similar change with respect to Limelight s common stock having a record date on or after the date of the merger agreement but before the completion of the first-step merger. No fractional shares of Limelight common stock will be issued in the first- step merger. Instead, each EyeWonder securityholder otherwise entitled to a fraction of a share of Limelight common stock (after aggregating all fractional shares of Limelight common stock issuable to such securityholder) will be entitled to receive in cash the dollar amount (rounded to the nearest whole cent), without interest, determined by multiplying such fraction by the closing price of a share of Limelight common stock as reported on www.nasdaq.com for the trading day that is two (2) trading days immediately prior to the date the first-step merger is completed. All certificates representing shares of Limelight common stock issued in connection with the merger will bear any legend required by applicable law, including any federal, state, local or foreign securities laws.

As a result of the first-step merger, each share of common stock of Elvis Merger Sub One Corporation issued and outstanding immediately prior to the effective time of the first-step merger will be converted into

common stock of the interim surviving entity. As a result of the second-step merger, each share of common stock of the interim surviving entity issued and outstanding immediately prior to the effective time of the second-step merger will be converted into membership interests of Elvis Merger Sub Two LLC, the final surviving entity.

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 attached as Annex A to this proxy statement/prospectus. The actual consideration each EyeWonder securityholder will receive in exchange for its EyeWonder capital stock may be more, less or the same as these estimates.

The maximum number of shares of Limelight common stock to be issued by Limelight in the first merger was fixed at the time the merger agreement was signed. The closing price of Limelight common stock on the trading day immediately preceding the date of the merger agreement was $3.79 per share. However, Limelight common stock trades on the Nasdaq Global Market and is subject to price fluctuation. Therefore, the value of the Limelight common stock EyeWonder securityholders will receive in the merger cannot be known at the date of this proxy statement/prospectus. The value of the Limelight common stock each EyeWonder securityholder receives in the merger may be equal to, less than or greater than its value on the date the merger agreement was signed and/or the date of this proxy statement/prospectus.

Treatment of EyeWonder Stock Options and Warrants

EyeWonder Stock Options

Immediately prior to the effective time of the first-step merger, each then unexercised and outstanding option to purchase shares of EyeWonder capital stock whether vested or unvested will be cancelled and extinguished and will not be assumed or otherwise replaced by Limelight. 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.

EyeWonder Warrants

Limelight will not assume any warrants to purchase the capital stock of EyeWonder. At the effective time of the first-step merger, each EyeWonder warrant then outstanding will, to the extent permitted pursuant to the terms of such warrant and by virtue of the merger and without any action on the part of the holder thereof, be cancelled and converted without exercise into and, subject to the terms and conditions set forth in the merger agreement, represent the right to receive the merger consideration into which the shares of EyeWonder capital stock underlying such warrant have been converted pursuant to the merger agreement, less the exercise price of such warrant and less the pro rata portion of the escrow amount (defined below) attributable to such shares of EyeWonder capital stock.

Completion of the Merger

The merger agreement requires the parties to complete the merger after all of the conditions to the completion of the merger contained in the merger agreement are satisfied or waived. The first-step merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Delaware, or at such later time as is agreed to by Limelight, Elvis Merger Sub One Corporation and EyeWonder and specified in the certificate of merger. The second-step merger will become effective at the time of filing of a certificate of merger with the Secretary of State of the State of Delaware. Because the completion of the merger is subject to the receipt of governmental and regulatory approvals and the satisfaction of other conditions, the exact timing of the completion of the merger cannot be predicted.

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Closing Payment Procedures

Escrow Amount Deposit

The merger agreement provides that at the effective time on the closing date, Limelight will deposit with Deutsche Bank National Trust as escrow agent (the Escrow Agent) the escrow amount. The escrow amount is the 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 the $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. Limelight will be deemed to have contributed each EyeWonder securityholder s pro rata portion of the escrow amount.

Closing Payments

The merger agreement contemplates that, prior to the effective time of the merger, Limelight will enter an agreement with an exchange agent reasonably acceptable to EyeWonder. The merger agreement provides that at the effective time of the first-step merger, Limelight will deposit with the exchange agent (i) certificates representing sufficient shares of Limelight common stock to pay the aggregate Per Share Stock Consideration, minus the shares of Limelight stock included in the escrow amount, and (ii) a sufficient amount of cash to pay the aggregate Per Share Cash Consideration, minus the cash portion of the escrow amount.

The merger agreement contemplates that, as soon as practicable following the closing date, Limelight or the exchange agent will mail a letter of transmittal to each EyeWonder securityholder. The merger agreement provides that, upon surrender of the EyeWonder stock certificates or warrants representing their respective shares of EyeWonder capital stock for cancellation, together with the letter of transmittal and certain other exchange documents, duly completed and validly executed in accordance with the instructions thereto, the holder of such stock certificate will be entitled to receive the merger consideration into which the shares of EyeWonder capital stock represented by such stock certificate or warrant has been converted pursuant to the merger agreement, less the pro rata portion of the escrow amount attributable to such shares.

Within sixty (60) days after the closing date, Limelight will prepare and deliver to the stockholder representative a statement of the actual cash, debt, fees and working capital of EyeWonder as of the effective time of the merger. Based on this statement, the parties will calculate the final adjusted cash consideration, resolving any disputes in accordance with the terms of the merger agreement. As soon as reasonably practicable following the determination of the final adjusted cash consideration, if the final adjusted cash consideration is:

- less than the estimated adjusted cash consideration, meaning the numerator of the fraction used to determine the Per Share Cash Consideration, the Escrow Agent will promptly release such shortfall from the escrow fund; or

- greater than the estimated adjusted cash consideration, meaning the numerator of the fraction used to determine the Per Share Cash Consideration, then Limelight will deposit an amount of cash equal to such excess amount with the exchange agent for pro rata distribution to the EyeWonder securityholders.

To the extent that the payment of either the excess amount described above or any payment resulting from the aggregate Per Share Cash Consideration being in excess of $62 million would result in the cash portion of the merger consideration payable by Limelight comprising approximately 48% of the total consideration paid in the merger, Limelight will substitute a sufficient number of shares of Limelight common stock (valued at the per share closing price as of the date prior to the date of the merger agreement) for cash to satisfy its obligations regarding payment of the excess amount and any payment resulting from the aggregate Per Share Cash Consideration being in excess of $62 million as applicable.

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Earn-Out

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 determined by certain performance metrics of the final surviving entity during the performance period, which is the calendar year ending December 31, 2010.

Revenue Shares. If the revenue of the final surviving entity during the performance period is $55,000,000 or greater, Limelight will issue 2,000,000 revenue shares. If the revenue of the final surviving entity during the performance period is less than $49,500,000, Limelight will not issue any revenue shares. If the revenue of the final surviving entity during the performance period is between $49,500,000 and $55,000,000, Limelight will issue a percentage of the 2,000,000 revenue shares proportional to such revenue.

EBITDA Shares. If the earnings before interest, taxes, depreciation and amortization, or EBITDA, of the final surviving entity during the performance period is $14,000,000 or greater, Limelight will issue 2,000,000 EBITDA shares. If the EBITDA of the final surviving entity during the performance period is less than $12,600,000, Limelight will not issue any EBITDA shares. If the EBITDA of the final surviving entity during the performance period is between $14,000,000 and $12,600,000, Limelight will issue a percentage of the 2,000,000 EBITDA shares proportional to such EBITDA.

Additional Shares. In negotiating the merger agreement, the parties agreed that Limelight may purchase a small software company located in Germany (the German Acquisition). The parties worked together in negotiating the purchase price for the German Acquisition, which closed in January 2010. The consideration for the German Acquisition consisted of cash and stock, with a significant amount of the consideration dependent upon attaining financial milestones for the year 2010. Limelight and EyeWonder agreed that the performance of the German Acquisition would be included in the performance of EyeWonder in determining if the EyeWonder Earn-Out has been achieved. In addition, Limelight agreed that, to the extent Limelight did not pay any element of the consideration for the German Acquisition due to failure to achieve the required financial milestones, the consideration would be paid to EyeWonder stockholders. The amount of consideration that may be paid to EyeWonder stockholders if not paid in connection with the German Acquisition is 774,000 shares of Limelight common stock and approximately $292,000 in cash. In order for the German Acquisition to completely achieve its financial milestones, it would need to increase its revenues for calendar year 2010 approximately 15% over its revenues for calendar year 2009.

In connection with such potential issuance of Limelight common stock, Limelight has agreed (i) not to take any actions or fail to take any actions with the specific intent of reducing or impairing the satisfaction of the performance metrics and (ii) until the end of the performance period, (A) to permit the stockholder representative access to Limelight and the final surviving entities properties and records, (B) cause the collective business activities of the final surviving entity to be accounted for separately than any other business activities of Limelight and its subsidiaries, (C) permit the final surviving entity to purchase Limelight content delivery network services, (D) not change the fiscal year of the final surviving entity and (E) not terminate any of John J. Vincent, Michael Rosner or Erwin Plomp.

Exchange of Certificates

The merger agreement provides that, upon surrender of an EyeWonder stock certificate or warrant for exchange to the exchange agent (or upon receipt of an appropriate agent s message in the case of book-entry shares), together with a duly signed and completed letter of transmittal, and such other documents as the exchange agent or Limelight may reasonably require, the holder of the EyeWonder stock certificate or warrant will be entitled to receive the following:

- the number of shares of Limelight common stock calculated based on the Per Share Stock Consideration (which, at Limelight s election, may be in book-entry form unless a physical stock certificate is requested or is otherwise required by applicable law);

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- the per share cash amount payable for each share of EyeWonder common stock based upon the Per Share Cash Consideration;

- cash in lieu of any fractional share of Limelight common stock;

- cash in respect of any dividends or other distributions declared or made by Limelight after the date of the merger agreement; and

- the right to the potential payments described under the section above entitled Earn-Out .

The merger consideration paid in respect of the surrender for exchange of EyeWonder warrants will be reduced by the exercise price of such warrants. The merger consideration paid in respect of the surrender for exchange of shares of EyeWonder capital stock or EyeWonder warrants in accordance with the terms of the merger agreement will be deemed to be full satisfaction of all rights pertaining to such shares or warrants, and there shall be no further registration of transfers on the records of the surviving entities. If, after the effective time of the merger, EyeWonder stock certificates or warrants are presented to the surviving entities for any reason, they will be canceled and exchanged as provided in the merger agreement.

If any payments are to be disbursed to a person other than the person whose name is reflected on the surrendered EyeWonder stock certificate or warrant surrendered in exchange, it will be a condition of payment that the surrendered certificate or warrant is properly endorsed and otherwise in proper form for transfer and that the person requesting such exchange will have paid to Limelight transfer or other taxes required by reason of the payment of any portion of the merger consideration in any name other than that of the registered holder of the certificate or warrant surrendered, or established to the satisfaction of Limelight that such tax has been paid or is not payable.

If any EyeWonder stock certificate or warrant has been lost, stolen or destroyed, the exchange agent will issue in exchange for such lost, stolen or destroyed stock certificate the merger consideration upon the making of an affidavit of that fact by the holder thereof. However, Limelight and/or the exchange agent may, in its discretion and as a condition to the payment of cash or the issuance of any shares of Limelight common stock in exchange therefor, also require the owner of such lost, stolen or destroyed stock certificate or warrant to either deliver a bond in such amount as it may reasonably direct, or provide an indemnification agreement in a form and substance acceptable to Limelight or its agent, against any claim that may be made against Limelight or its agent with respect to the certificates alleged to have been lost, stolen or destroyed.

Stock certificates and warrants should not be surrendered for exchange by EyeWonder securityholders before the completion of the first-step merger and should be sent only pursuant to instructions set forth in the letters of transmittal, which the merger agreement provides will be mailed to EyeWonder securityholders promptly following the completion of the first-step merger. In all cases, the cash payments, shares of Limelight common stock and cash in lieu of fractional shares will be delivered only in accordance with the procedures set forth in the letter of transmittal.

Representations and Warranties

The merger agreement contains customary representations and warranties made by EyeWonder, Limelight, Elvis Merger Sub One Corporation and Elvis Merger Sub Two LLC regarding aspects of their respective businesses. In particular, the assertions embodied in the representations and warranties contained in the merger agreement are qualified by information in confidential disclosure schedules provided by Limelight and EyeWonder to each other in connection with the signing of the merger agreement. These disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the merger agreement. Moreover, certain representations and warranties in the merger agreement were used

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for the purpose of allocating risk between Limelight and EyeWonder rather than establishing matters of facts. Accordingly, you should not rely on the representations and warranties in the merger agreement as characterizations of the actual state of facts about Limelight or EyeWonder. These representations and warranties relate to, among other things:

- organization and standing;
- corporate power and authority to enter into and perform its obligations under, and enforceability of, the merger agreement;
- the absence of conflicts with organizational documents, other contracts and applicable laws;
- required regulatory filings and consents and approvals of governmental entities;
- capitalization;
- broker s fees;
- substantial customers and suppliers; and
- information supplied for inclusion in this registration statement.

In the merger agreement, Limelight, Elvis Merger Sub One Corporation and Elvis Merger Sub Two LLC also each made representations and warranties relating to:

- available funding; and
- documents filed with the SEC and other governmental authorities.

In the merger agreement, EyeWonder also made representations and warranties relating to:

- subsidiaries;
- financial statements and internal controls;
- the absence of undisclosed liabilities;
- the absence of certain changes since a recent balance sheet date;

tax matters;

absence of restrictions on business activities;

real property and equipment;

intellectual property;

company products;

material contracts;

- the absence of transactions with related parties;
- permits;
- the absence of litigation and orders;
- environmental matters;
- employee benefits;
- compliance with laws;
- absence of violations of the Foreign Corrupt Practices Act of 1977;
- warranties and indemnities; and
- information furnished in the consent solicitation.

The representations and warranties of EyeWonder contained in the merger agreement will survive the first- step merger until the date that is the earlier of: (i) eighteen (18) calendar months after the date of the merger agreement or (ii) fifteen (15) calendar months after the effective time of the first-step merger. The representations and warranties of Limelight contained in the merger agreement will not survive the first-step merger, but they form the basis of certain conditions to Limelight s and EyeWonder s obligations to complete the merger.

Material Adverse Effect

Several of the representations, warranties, covenants, closing conditions and termination provisions in the merger agreement use the phrase material adverse effect. The merger agreement provides that material adverse effect means any change, fact, circumstance, or effect that has had, or is reasonably likely to have, individually or in the aggregate, a material and substantial adverse effect on the business, operations, financial condition or results of operations of EyeWonder and its subsidiaries, taken as a whole.

The merger agreement provides, however, that none of the following changes, facts, circumstances, or effects, by itself or when aggregated with any one or more of the other such changes, facts, circumstances, or effects, will be deemed to be or constitute a material adverse effect, and no changes, facts, circumstances or effects resulting from, relating to or arising out of the following (by themselves or when aggregated with any one or more other such changes, facts, circumstances or effects) will be taken into account when determining whether a material adverse effect has occurred or would occur:

- general economic, financial or political conditions in the United States or any other jurisdiction in which EyeWonder or any of its subsidiaries has substantial business or operations, and any changes therein (including any changes arising out of acts of terrorism, war, weather conditions or other *force majeure* events) to the extent that such changes, facts, circumstances, or effects do not have a material and substantially disproportionate impact on EyeWonder and its subsidiaries, taken as a whole, relative to other interactive digital advertising companies of comparable size;

general conditions in the industries in which EyeWonder or any of its subsidiaries conduct business, and any changes therein (including any changes arising out of acts of terrorism, war, weather conditions or natural disasters) to the extent that such changes, facts, circumstances, or effects do not have a material and substantially disproportionate impact on EyeWonder and its subsidiaries, taken as a whole, relative to other interactive digital advertising companies of comparable size;

changes in GAAP (or any interpretations of GAAP);

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- the announcement or pendency of the merger agreement and the transactions contemplated thereby; or

- the failure, in and of itself, to meet internal projections, forecasts or budgets of revenues, earnings or other financial metrics, provided, however, that the facts or circumstances giving rise to or contributing to such failure are not excluded from being taken into account in determining whether there has been a material adverse effect.

Covenants; Conduct of Business Prior to the Merger

Interim Conduct of EyeWonder s Business

EyeWonder has undertaken customary covenants that place restrictions on it and its subsidiaries until the earlier of the effective time of the first-step merger or the termination of the merger agreement. In general, EyeWonder agreed to (a) carry on its business in the ordinary course in all material respects in substantially the same manner as previously conducted, pay the debts, liabilities and obligations and taxes of EyeWonder when due and pay or perform other obligations when due and (b) for EyeWonder and each of its subsidiaries, with the goal of preserving unimpaired the goodwill and ongoing business of EyeWonder at the effective time of the merger, (i) preserve intact its present business organizations, (ii) keep available the services of its present officers and employees and (iii) preserve its relationships with customers, suppliers, distributors, licensors, licensees and others having business dealings with it.

EyeWonder further agreed that, except (a) as expressly contemplated or permitted by the merger agreement, (b) as specifically set forth in EyeWonder s disclosure schedule that was delivered to Limelight at the time of signing the merger agreement, or (c) with Limelight s prior written consent, which consent will not be unreasonably withheld delayed or conditioned, EyeWonder will not, and will cause each of its subsidiaries not to, among other things, undertake the following actions:

- cause or permit any modifications, amendments or changes to its charter documents;

- undertake any expenditure, transaction or commitment exceeding $15,000 individually or $30,000 in the aggregate or any commitment or transaction constituting a material contract, other than for the sale of products and services in the ordinary course of business consistent with past practices;

- pay, discharge, waive or satisfy, in an amount in excess of $15,000 individually or $30,000 in the aggregate, any claim, liability, right or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction in the ordinary course of business of liabilities reflected or reserved against in the current balance sheet;

- adopt or change accounting methods or practices (including any change in depreciation or amortization policies or rates, or revenue recognition policies) other than as required by GAAP or applicable legal requirements;

- make or change any material election in respect of taxes, adopt or change any accounting method in respect of taxes, enter into any closing contract in respect of taxes, settle or compromise any material tax claim or assessment, consent to any extension or waiver of the limitation period applicable to any material tax claim or assessment or file any income, franchise or other material return or any amended return unless a copy of such return has been delivered to Limelight for review a reasonable time prior to filing;

- revalue any of its assets (whether tangible or intangible), including writing down the value of inventory or writing off notes or accounts receivable, except as required by GAAP or applicable legal requirements;

declare, set aside or pay any dividends on or make any other distributions (whether in cash, stock or property) in respect of any capital stock, or split, combine or reclassify any capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, shares of capital stock, or directly or indirectly repurchase, redeem or otherwise acquire any shares of capital stock (or options, warrants or other rights convertible into, exercisable or exchangeable for, capital stock) except in accordance with certain existing contracts;

except as set forth in EyeWonder s 2010 budget previously provided to Limelight, adopt, terminate or amend any employee plan, enter into, terminate or amend any employee agreement, increase, decrease or otherwise change the salary, bonus, wage rates, fringe benefits, or other compensation (including equity based compensation) payable or to become payable to any employee, or make any declaration, promise, payment or commitment or obligation of any kind for the payment (whether in cash or equity or otherwise) of a severance payment, termination payment, change of control payment, bonus, special remuneration or other additional salary or compensation (including equity based compensation) to any director, officer, or employee, except payments made pursuant to written contracts existing on the date of the merger agreement and disclosed to Limelight, or increase rights to indemnification for any employee;

other than entering into non-exclusive licenses and related contracts with respect to the sale or licensing of EyeWonder services to end users pursuant to written contracts in the ordinary course of business consistent with past practices and that do not materially differ in substance from EyeWonder s standard form(s), sell, lease, license or otherwise dispose of or grant any security interest in any of its properties or assets, including the sale of any accounts receivable of EyeWonder, except for the sale of properties or assets (whether tangible or intangible) which are not intellectual property and only in the ordinary course of business and consistent with past practices, or transfer or exclusively license to any person any rights to any intellectual property or enter into any contract or modify or amend any existing contract with respect to the transfer or exclusive license of any intellectual property;

make any loan to any person (except for advances to employees for travel and business expenses in the ordinary course of business consistent with past practices), or forgive any loan to any person, or purchase debt securities of any person or amend the terms of any outstanding loan contract;

incur any debt in an aggregate amount in excess of $250,000 (other than (i) the obligation to reimburse employees for travel and business expenses, (ii) indebtedness incurred in connection with the purchase or sale of goods and services in the ordinary course of business consistent with past practices, or (iii) loans to direct or indirect wholly-owned subsidiaries of), or amend the terms of any outstanding material contract in respect of any debt;

waive or release any material right or claim of EyeWonder or any of its subsidiaries;

commence or settle any lawsuit, threat of any lawsuit or proceeding or other investigation by or against EyeWonder or any of its subsidiaries or relating to any of their respective business, properties or assets;

issue, grant, deliver or sell or authorize or propose the issuance, grant, delivery or sale of, or purchase or propose the purchase of, any capital stock, or any securities convertible into or exercisable or exchangeable for any capital stock, or subscriptions, rights, warrants or options to acquire any capital stock, or other contracts or commitments of any character obligating any of them to issue or purchase any capital stock or other convertible securities, except for the issuance of capital stock pursuant to the exercise of outstanding options and warrants (including any amendments to such options or warrants agreements as are mutually agreed to by Limelight and EyeWonder), or the conversion of EyeWonder preferred stock;

enter into or amend any contract pursuant to which any other party is granted marketing, distribution, development, delivery, manufacturing or similar rights of any type or scope with respect to any company products or services other than any such contracts entered into in the ordinary course of business consistent with past practices;

enter into any contract to purchase or sell any interest in real property, grant any security interest in any real property, enter into any material lease, sublease, license or other occupancy contract with respect to any real property or renew, terminate or materially alter, amend or modify any of the terms of any lease agreement;

terminate, amend or otherwise modify (or agree to do so), any material contract;

acquire or agree to acquire by merging or consolidating with, or by purchasing any assets or equity securities of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any assets or any equity securities, that are material individually or in the aggregate, to EyeWonder s or any of its subsidiaries business;

enter into any material strategic alliance, affiliate contract or joint marketing arrangement or contract;

waive any stock repurchase rights or right of first refusal, accelerate, amend or change the period of exercisability of options or warrants or reprice options or warrants granted under any employee, consultant, director or other stock plan (including EyeWonder s 2000 Stock Incentive Plan), or authorize any cash or equity exchange for any options or warrants granted under any of such plans;

terminate any critical person or key employee, or encourage or otherwise cause any critical person or key employee to resign from EyeWonder or any of its subsidiaries.

send any written communications (including electronic communications) to its employees regarding the merger agreement or the transactions contemplated hereby that would be required to be filed with the SEC under Regulation M-A;

make any representations or issue any communications to employees that are inconsistent with the merger agreement or the transactions contemplated thereby, including any representations regarding offers of employment from Limelight;

alter, or enter into any commitment to alter, its interest in any subsidiary, corporation, association, joint venture, partnership or business entity in which EyeWonder directly or indirectly holds any interest;

cancel or materially amend (other than in connection with the addition of customers and suppliers to such insurance policies from time to time in the ordinary course of business consistent with past practices) any insurance policy of EyeWonder or any of its subsidiaries;

grant any lien on any of its material properties or assets; or

take, commit, or agree in writing or otherwise to take, any of the actions described above.

Other Covenants

The merger agreement also contains covenants relating to, among other things, the preparation of this proxy statement/prospectus and the holding of meetings of EyeWonder and Limelight stockholders, the granting of access to information of the other company, the coordination of public announcements with respect to the

transactions contemplated by the merger agreement, use of commercially reasonable efforts to obtain necessary consents, waivers and approvals under certain contracts, cooperation regarding regulatory filings, employee matters, payment of fees, size and composition of the Limelight board and other matters as described further below.

Limitation on the Solicitation, Negotiation and Discussion of Other Acquisition Proposals by EyeWonder

From the date of the merger agreement until the earlier of the effective time of the first-step merger or the termination of the merger agreement, EyeWonder has agreed that it will not, and will cause its representatives not to, directly or indirectly take any of the following actions with any party other than Limelight or its designees:

- solicit, encourage, seek, entertain support, assist, initiate or participate in any inquiry, negotiations or discussions, or enter any contract, with respect to an acquisition proposal (each as defined below);

- disclose or furnish any information not customarily disclosed to any person concerning the business, technologies or properties of EyeWonder or any of its subsidiaries, or afford to any person access to its properties, technologies, books or records, not customarily afforded such access;

- assist or cooperate with any person to make any proposal to purchase all or any part of the capital stock or assets of EyeWonder or any of its subsidiaries; or

- enter into any contract with any person providing for the acquisition of EyeWonder or any of its subsidiaries (other than inventory in the ordinary course of business), whether by merger, purchase of assets, license, tender offer or otherwise.

EyeWonder has also agreed to, and to cause its subsidiaries and representatives to, cease and cause to be terminated any such negotiations, discussions or agreements (other than with Limelight).

As used in the merger agreement, an acquisition proposal is any offer or proposal to acquire, directly or indirectly, 15% or more of (i) the properties or technologies of EyeWonder or any of its subsidiaries, or (ii) any class of equity or other voting securities of EyeWonder or any of its subsidiaries (whether or not outstanding), in each case, whether by merger, consolidation, purchase of assets, tender offer, license or otherwise, or effect any such transaction.

Exception to the Limitation on the Negotiation and Discussion by EyeWonder of Other Acquisition Proposals

Despite the limitations described above prior to obtaining approval of the merger proposal from its stockholders, EyeWonder may (i) engage or participate in discussions or negotiations with any person that has made (and not withdrawn) an unsolicited bona fide acquisition proposal in writing after the date of the merger agreement and/or (ii) furnish or make available to any person that has made (and not withdrawn) an unsolicited bona fide acquisition proposal in writing after the date of the merger agreement, any non-public information relating to EyeWonder or any of its subsidiaries if:

- the EyeWonder board determines in good faith, after consultation with its financial advisor and its outside legal counsel, that (x) such acquisition proposal either constitutes or is reasonably likely to lead to a superior proposal (as defined below) and (y) the failure to take such action would reasonably be expected to be a breach of its fiduciary duties to EyeWonder s stockholders under the DGCL;

- none of EyeWonder or any of its representatives has breached or violated in any material respect the limitations described above in connection with such acquisition proposal or in connection with any other acquisition proposal made by any person, or any affiliate or agent thereof, making such acquisition proposal;

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EyeWonder enters into a confidentiality agreement with such person, the terms of which are no less favorable to EyeWonder than those contained in the confidentiality agreement between EyeWonder and Limelight;

EyeWonder gives Limelight s Chief Executive Officer at least 48 hours prior written notice of (x) its intent to take the action permitted by this exception, (y) the identity of the person(s) making the acquisition proposal forming the basis for taking the action permitted by this exception, and (z) all of the material terms and conditions of such acquisition proposal (and if such acquisition proposal is in written form, prior to taking any action with respect to such person, EyeWonder gives Limelight a copy of such acquisition proposal and all related agreements, commitment letters and other material documents constituting such acquisition proposal provided or otherwise furnished by the person(s) making such acquisition proposal in connection therewith); and

prior to or contemporaneously with furnishing any non-public information to such person, EyeWonder furnishes or makes available such non-public information to Limelight, to the extent such information has not been previously furnished or made available by EyeWonder to Limelight.

In addition, EyeWonder has agreed to promptly advise Limelight in writing of the receipt by EyeWonder, any of its subsidiaries or any of their respective representatives of (i) any acquisition proposal, (ii) any request for information that would reasonably be expected to lead to an acquisition proposal, or (iii) any inquiry with respect to, or which would reasonably be expected to lead to, any acquisition proposal, the material terms and conditions of such acquisition proposal, request or inquiry (and all related agreements, commitment letters and other documents constituting or relating to such acquisition proposal or otherwise furnished by the person(s) making such acquisition proposal in connection therewith), and the identity of the person or group making any such acquisition proposal, request or inquiry. EyeWonder has agreed to at all times keep Limelight reasonably informed of the status and material terms and conditions, including all amendments or proposed amendments, of any such acquisition proposal, request or inquiry.

As used in the merger agreement, a superior proposal is any written offer or proposal (which has not been withdrawn) for a transaction or series of transaction providing for the acquisition of all of the capital stock of EyeWonder which the EyeWonder board determines in good faith, after consultation with its financial advisor and its outside legal counsel, is more favorable, from a financial point of view, to EyeWonder s stockholders, in their capacity as such, than the merger, in each case taking into consideration, in addition to any other factors determined by the EyeWonder board to be relevant, the following:

all financial considerations relevant thereto;

the identity of the person(s) making such offer or proposal and the parties providing any of the financing for the transaction contemplated thereby, and the prior history of such person(s) and sources of financing in connection with the consummation or failure to consummate similar transactions;

the anticipated timing, conditions and prospects for completion of the transaction contemplated by such offer or proposal;

the other terms and conditions of such offer or proposal and the implications thereof on EyeWonder; and

any proposal made by Limelight in connection therewith or response thereto.

Limelight and EyeWonder Stockholder Meetings

Limelight Stockholder Meeting. Limelight has agreed to, as promptly as possible after the date of this proxy statement/prospectus, take all actions necessary to approve the issuance of Limelight common stock in the

transactions contemplated by the merger agreement. Limelight has agreed to hold, as promptly as possible after the effectiveness of this proxy statement/prospectus, a meeting of its stockholders for the purpose of considering and voting upon the proposal to issue Limelight common stock in the transactions contemplated by the merger agreement. Limelight has agreed to use its reasonable best efforts to solicit from its stockholders proxies in favor of the above proposal and to obtain the requisite stockholder approval. Under the merger agreement, the board of directors of Limelight may not withhold, withdraw, amend or modify or publicly propose to withhold, withdraw or modify it recommendation that Limelight stockholders vote in favor of the proposal to issue Limelight common stock in the transactions contemplated by the merger agreement, and Limelight is required to submit such proposal to its stockholders at a meeting of its stockholders.

EyeWonder Stockholder Meeting. EyeWonder has agreed to, as promptly as possible after the effectiveness of this proxy statement/prospectus, take all actions necessary to secure the required approval of EyeWonder stockholders. EyeWonder has agreed to hold, as promptly as possible after date of this proxy statement/ prospectus, a meeting of its stockholders for the purpose of considering and voting upon the approval of the merger agreement, the merger and the transactions contemplated thereby. Under the merger agreement, the EyeWonder board may not withhold, withdraw, amend or modify or publicly propose to withhold, withdraw or modify its recommendation that EyeWonder stockholders vote in favor of the merger proposal and may not approve, endorse or recommend, or publicly propose to approve, endorse or recommend any acquisition proposal. EyeWonder has agreed to submit the merger proposal to the EyeWonder stockholders at the EyeWonder stockholder meeting regardless of the commencement, disclosure, announcement or submission to EyeWonder of any acquisition proposal. EyeWonder has agreed to use its reasonable best efforts to solicit from its stockholders proxies in favor of the merger proposal and to obtain the requisite stockholder approval.

Commercially Reasonable Efforts to Complete

The parties have agreed, on the terms and subject to the conditions set forth in the merger agreement, to use their respective commercially reasonable efforts to take promptly, or cause to be taken promptly, all actions, and to do promptly, or cause to be done promptly, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by the merger agreement, to satisfy all of the conditions to the obligations of the other parties to effect the merger, to obtain all necessary waivers, consents, approvals and other documents required to be delivered under the merger agreement and to effect all necessary registrations and filings and to remove any injunctions or other impediments or delays, legal or otherwise, in order to consummate and make effective the transactions contemplated by the merger agreement. However, Limelight is not required to agree to (i) any license, sale or other disposition or holding separate (through establishment of a trust or otherwise) of any shares of capital stock or of any material business, material assets or material properties of Limelight, its subsidiaries or affiliates or of EyeWonder or of the final surviving entity, (ii) the imposition of any material limitation on the ability of Limelight, its subsidiaries or affiliates, EyeWonder or the final surviving entity to conduct their respective businesses or own any capital stock or assets or to acquire, hold or exercise full rights of ownership of their respective businesses and, in the case of Limelight, the businesses of EyeWonder or the final surviving entity, or (iii) the imposition of any material impediment on Limelight, its subsidiaries or affiliates or EyeWonder or the final surviving entity under any statute, rule, regulation, executive order, decree, order or other legal restraint governing competition, monopolies or restrictive trade practices. Furthermore, no party is required to litigate any administrative or judicial action or proceeding that may be brought in connection with the transactions contemplated by the merger agreement.

Employee Matters

Limelight has agreed to offer employment as a continuing employee to each employee of EyeWonder and its subsidiaries. Limelight has also agreed to provide each continuing employee base and salary compensation (excluding equity compensation) for a period of one (1) year after the effective time that is no less than the compensation provided to the continuing employee at the effective time.

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Limelight has agreed to either (i) continue (or cause the surviving entity to continue) to maintain the EyeWonder employee benefit plans, (ii) arrange for each participant in the EyeWonder benefits plans to receive benefits that are substantially similar in the aggregate to benefits provided to similarly situated employees of Limelight or its subsidiary under Limelight plans, or (iii) a combination of the foregoing so that each continuing employee will have benefits substantially similar in the aggregate to benefits provided to similarly situated employees of Limelight and in each case at least equivalent to the benefits provided to each participant under the EyeWonder plans prior to the effective time.

As promptly as practicable after the effective time, Limelight will:

- allocate and grant in its sole discretion after consultation with John J. Vincent options to acquire 1,000,000 shares of Limelight common stock among the continuing employees, which will vest in accordance with the terms of the merger agreement;

- establish an employee retention plan for continuing employees; and

- issue 1,000,000 restricted stock units to continuing employees which will be scheduled to vest over a four (4) year period beginning June 11, 2011. The number of restricted stock units will be subject to forfeiture as follows:

  - If the revenue of the final surviving entity during the applicable performance period is $60,000,000 or greater, the continuing employees will not be required to forfeit any of the restricted stock units.

  - If the revenue of the final surviving entity during the applicable performance period is less than $55,000,000, the continuing employees will be required to forfeit all of the restricted stock units.

  - If the revenue of the final surviving entity during the applicable performance period is between $55,000,000 and $60,000,000, the continuing employees will be required to forfeit a percentage of the 1,000,000 restricted stock units proportional to such revenue and pro rata based on the number of restricted stock units issued to each continuing employee.

Directors and Officers Indemnification and Insurance

The merger agreement provides that Limelight will indemnify and hold harmless the individuals who on or prior to the effective time of the first-step merger were officers, directors or employees of EyeWonder or its subsidiaries or were serving at the request of EyeWonder as an officer, director or employee of any other corporation, partnership or joint venture, trust, employee benefit plan or other enterprise with respect to all acts or omission by them in their capacities as such or taken at the request of EyeWonder or any of its subsidiaries at any time prior to the effective time of the first-step merger to the extent currently provided in EyeWonder s charter documents, including with respect to advancement of expenses.

The merger agreement provides that Limelight will honor and fulfill in all respects the obligations of EyeWonder and its subsidiaries under any and all indemnification agreements set forth in the EyeWonder disclosure schedule that were delivered to Limelight at the time of signing of the merger agreement and are currently in effect between EyeWonder or any of its subsidiaries and any of its current or former directors and officers.

The merger agreement provides that Limelight shall maintain in effect EyeWonder s current directors and officers liability insurance for a period of six (6) years. Limelight is not required to incur annual premium expenses in excess of 200% of the current annual premium. Prior to the effective time, EyeWonder may also obtain a prepaid tail directors and officers liability insurance policy with a claims period of six years following the effective time of the merger.

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In addition, Limelight has agreed to indemnify and hold harmless certain officers and directors of EyeWonder in connection with claims related to the approval, execution, delivery or performance of the stock purchase agreements delivered to Limelight by certain stockholders in connection with the execution of the merger agreement, on the terms and subject to the conditions set forth in the merger agreement.

Stockholder Release

The merger agreement provides that, by virtue of the approval of the merger agreement by the EyeWonder stockholders, each of the EyeWonder stockholders will be deemed to irrevocably and fully release EyeWonder and certain other released parties from any and all actions or claims relating to a potential defect in the issuance of EyeWonder Series B preferred stock. The merger agreement provides that the EyeWonder stockholders will, severally and not jointly, indemnify and hold harmless each of EyeWonder and such released parties from and against all losses in connection with the assertion of any claim or matter purported to be released pursuant to the merger agreement.

Conditions to Complete the Merger

Conditions to the Obligations of Limelight and EyeWonder

The respective obligations of EyeWonder and Limelight to complete merger are subject to the satisfaction or waiver of certain conditions, including:

- the effectiveness of the registration statement of which this proxy statement/prospectus is a part with respect to the Limelight common stock to be issued in the merger under the Securities Act and the absence of any stop order or proceedings initiated or threatened by the SEC for that purpose;
- the approval of the issuance of Limelight common stock in connection with the merger by Limelight stockholders;
- the approval of the merger proposal by EyeWonder stockholders;
- the expiration or termination of all applicable waiting periods under any applicable antitrust or competition laws, the receipt of all approvals applicable to the merger required under any applicable antitrust or competition laws and the approval or decision not to intervene by all government entities with the authority to enforce any applicable antitrust or competition laws;
- the absence of any order, decree or injunction, by any court or other governmental entity or other law that prohibits or makes illegal the consummation of the merger;
- the receipt of all required government approvals;
- the approval of the listing of the Limelight common stock to be issued in the merger on the Nasdaq Global Market, subject to official notice of issuance; and
- the receipt of an opinion of the parties legal counsel that the merger will qualify as a tax-free reorganization under the Internal Revenue Code.

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Conditions to the Obligations of Limelight

The merger agreement provides that the obligations of Limelight, Elvis Merger Sub One Corporation and Elvis Merger Sub Two LLC to complete the merger are subject to the satisfaction or waiver of each of the following conditions:

- the accuracy in all material respects as of the representations and warranties made by EyeWonder as of the date of the merger agreement and as of the closing date as though such representations and warranties were made on that date (other than the representations and warranties of EyeWonder made as of a specified date, which will be accurate in all material respects as of that date);

- the performance and compliance by EyeWonder in all material respects with all covenants and obligations required to be performed and complied with by it under the merger agreement;

- no material adverse effect with respect to EyeWonder having occurred since the date of the merger agreement that is continuing;

- each person who might receive payments and/or benefits that Limelight determines may constitute parachute payments under Section 280G of the Internal Revenue Code having executed and delivered a waiver in the form attached to the merger agreement;

- holders of no more than 5% of the outstanding shares of EyeWonder capital stock having perfected, or continue to have the right to exercise, appraisal or dissenter s rights with respect to their EyeWonder capital stock;

- the exercise in full or cancellation or termination of all EyeWonder options and warrants as of immediately prior to the effective time of the merger;

- the absence of any pending or overtly threatened litigation by any governmental entity arising out of or in connection with the merger or the other transactions contemplated by the merger agreement;

- delivery of all necessary approvals and modifications to, termination of, and sending of notices regarding certain contracts set forth in the merger agreement;

- neither John J. Vincent nor Thomas Falk designated as critical persons having ceased to be employed by, or expressed an intention to terminate their employment with, EyeWonder, expressed an intention not to accept employment with Limelight or repudiated their retention agreement;

- at least ten of the employees designated as key employees being employees of EyeWonder immediately prior to the effective time of the merger and having not have provided notice of an intent to terminate such employment or expressed an intention not to accept employment with Limelight;

- Limelight having received a statement of expenses spreadsheet, closing statement, and certificate of the Chief Financial Officer and Chief Executive Officer of EyeWonder confirming that certain conditions have been satisfied; and

EyeWonder owning 100% of the outstanding equity interests of its subsidiaries and no other person having any right to purchase or acquire any shares of capital stock in such subsidiaries.

Conditions to the Obligations of EyeWonder

The merger agreement provides that the obligations of EyeWonder to complete the merger are subject to the satisfaction or waiver of each of the following conditions:

the accuracy in all material respects as of the representations and warranties made by Limelight, Elvis Merger Sub One Corporation and Elvis Merger Sub Two LLC as of the date of the merger agreement

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and as of the closing date as though such representations and warranties were made on that date (other than the representations and warranties of Limelight, Elvis Merger Sub One Corporation and Elvis Merger Sub Two LLC made as of a specified date, which will be accurate in all material respects as of such date);

the performance and compliance by Limelight, Elvis Merger Sub One Corporation and Elvis Merger Sub Two LLC in all material respects with all covenants and obligations required to be performed and complied with by them under the merger agreement; and

EyeWonder having received a certificate of the Chief Financial Officer and Chief Executive Officer of Limelight confirming that certain conditions have been satisfied.

Escrow; Indemnification; Appointment of Stockholder Representative

At the effective time of the merger, Limelight will deposit $11 million of the merger consideration that would otherwise be received by the EyeWonder securityholders, in a mix of cash and Limelight common stock calculated as set forth in the merger agreement, referred to herein as the escrow amount, in an escrow fund to serve as security for the indemnification obligations of the EyeWonder securityholders.

Subject to certain requirements, and subject to potential reduction or holdback in respect of unresolved claims, upon the earlier of (i) eighteen (18) calendar months after the date of the merger agreement and (ii) fifteen (15) calendar months following the effective time of the merger, the funds and shares of Limelight common stock (less any amounts reflected in such reduction or holdback for indemnification) in the escrow fund will be released and distributed pro rata to each EyeWonder securityholder.

Under the terms of the merger agreement, the EyeWonder security holders will severally and not jointly indemnify the indemnified parties (defined below) from and against all losses paid, suffered, incurred, sustained or accrued by the indemnified parties, subject to the limitations set forth in the merger agreement, in connection with:

any inaccuracies or misrepresentations in, or breaches of any representation or warranty of EyeWonder set forth in the merger agreement (as qualified by EyeWonder s disclosure schedule that was delivered to Limelight at the time of signing the merger agreement) or any related agreements or certificates delivered by EyeWonder as of the date of the merger agreement and as of the closing date as if such representations and warranties had been made at and as of the closing (other than the representations and warranties of EyeWonder as of a specified date, the inaccuracy, misrepresentation or breach of which shall be measured as of such date);

any failure by EyeWonder to perform or comply with any covenant applicable to it contained in the merger agreement, any related agreements or any certificates or other instruments required to be delivered pursuant to the merger agreement;

any fraud or willful misrepresentation with respect to the merger agreement, any related agreement or any certificates or other instruments required to be delivered pursuant to the Agreement on the part of EyeWonder;

any payments in excess of the merger consideration or losses in connection with dissenting shares;

certain fees related to the third-party and change of control expenses of EyeWonder;

any claim that the EyeWonder board or officers of EyeWonder breached its fiduciary duties in connection with the merger or any of the transactions contemplated thereby or by the merger agreement, subject to the exception set forth in the merger agreement;

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- any failure of Limelight or the final surviving entity to collect accounts receivable included in the calculation of the final adjusted cash consideration by the end of escrow period despite commercially reasonable efforts by Limelight and the final surviving entity to collect such accounts receivable;
- any failure of EyeWonder to own 100% of its subsidiaries as of the closing date; and
- any claim related to the potential issue defect of the EyeWonder Series B preferred stock described above under Stockholder Release.

For purposes of the merger agreement, an indemnified party means Limelight and its directors, officers and other employees, affiliates, agents and other representatives, including the final surviving entity.

The merger agreement provides that any person committing fraud or any willful misrepresentation with respect to the merger agreement, in any related agreement, or in any certificate or other instrument required to be delivered pursuant to the merger agreement will be liable for, and will indemnify and hold the indemnified parties harmless for, their losses arising out of or in connection with such fraud or willful misrepresentation committed by such person.

Under the merger agreement, other than claims arising out of, or in connection with fraud and willful misrepresentation, the EyeWonder securityholders will not be obligated to indemnify the indemnified parties for any amounts in excess of their pro rata portion of the escrow amount for indemnification claims of the type described above, and the escrow fund will be the indemnified parties sole and exclusive remedy under the merger agreement for such claims. Under the merger agreement, other than claims arising out of, or in connection with fraud and willful misrepresentation, the EyeWonder securityholders will not be obligated to indemnify the indemnified parties for any claims related to any inaccuracies or misrepresentations in, or breaches of any representation or warranty of EyeWonder until and unless the aggregate amount of such claims is in excess of $750,000 (at which time the EyeWonder securityholders shall be obligated to provide indemnification for all such claims) and in no event will an EyeWonder securityholder be required to indemnify the indemnified parties for any such claim that is less than $25,000.

Under the terms of the merger agreement, each of the EyeWonder stockholders appoints John J. Vincent as its agent and attorney-in-fact, as the stockholder representative, to act for and on behalf of all EyeWonder stockholders with respect to claims for indemnification. A decision of the stockholders representative will constitute a decision of all of the EyeWonder stockholders and will be final, binding and conclusive upon each of the EyeWonder stockholders. The EyeWonder stockholders shall indemnify the stockholder representative and hold the stockholder representative harmless against any loss, liability or expense incurred without gross negligence or bad faith on the part of the stockholder representative and arising out of or in connection with the acceptance or administration of the stockholder representative s duties under the merger agreement, including the reasonable fees and expenses of any legal counsel retained by the stockholder representative and any fees and expenses incurred by the stockholder representative in connection with the merger agreement. The stockholder representative will have the right to recover such expenses from the escrow fund prior to any distribution to the EyeWonder stockholders, if the escrow fund is then available after satisfaction of all claims of the indemnified parties.

Termination of the Merger Agreement

The merger agreement provides that, at any time prior to the effective time first-step merger, Limelight and EyeWonder may terminate the merger agreement by mutual agreement.

The merger agreement also provides that, at any time prior to the effective time of the first-step merger, either Limelight or EyeWonder may terminate the merger agreement if:

- the merger has not been completed by August 15, 2010;
- a governmental entity has enacted or issued a law, order or other legal restraint which is in effect and which has the effect of making the merger illegal;

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- EyeWonder fails to obtain the requisite vote of its stockholders; or

- Limelight fails to obtain the requisite vote of its stockholders.

Limelight s Termination Rights

The merger agreement further provides that Limelight may terminate the merger agreement at any time prior to the effective time of the first-step merger if:

- any governmental entity has taken action that would require the parties to take an action not required of them under the provisions of the merger agreement described above under Commercially Reasonable Best Efforts to Complete ;

- a material adverse effect of EyeWonder has occurred; or

- Limelight is not in material breach of any of its obligations under the merger and there has been a breach of any representation, warranty, covenant or agreement of EyeWonder set forth in the merger agreement such that the conditions described in the first two bullets under Conditions to Limelight s Obligations above would not be satisfied, subject to the cure provisions set forth in the merger agreement.

EyeWonder s Termination Rights

The merger agreement provides that EyeWonder may terminate the merger agreement at any time prior to the effective time of the first-step merger if EyeWonder is not in material breach of any of its obligations under the merger and there has been a breach of any representation, warranty, covenant or agreement of Limelight, Elvis Merger Sub One Corporation and Elvis Merger Sub Two LLC set forth in the merger agreement such that the conditions described in the first two bullets under Conditions to EyeWonder s Obligations above would not be satisfied, subject to the cure provisions set forth in the merger agreement.

Finally, the merger agreement provides that EyeWonder may terminate the merger agreement at any time prior to EyeWonder s stockholder meeting, if all of the following conditions are satisfied, which are referred to collectively herein as a superior transaction event:

- EyeWonder has received an unsolicited acquisition proposal in writing after the date of the merger agreement and the EyeWonder board determines in good faith, after consultation with its financial advisor and outside legal counsel, that such acquisition proposal constitutes a superior proposal;

- none of EyeWonder, any of its subsidiaries or any of their respective representatives has breached or violated in any material respect the terms described above under Limitation on the Solicitation, Negotiation and Discussion of Other Acquisition Proposals by EyeWonder in connection with such superior proposal or in connection with any other acquisition proposal made by any person, or any affiliate or agent thereof, making such acquisition proposal;

- the EyeWonder board determines in good faith, after consultation with its financial advisor and its outside legal counsel, that, in light of such superior proposal, the failure to terminate the merger agreement is reasonably likely to be a breach of its fiduciary duties to EyeWonder s stockholders under the DGCL;

- the EyeWonder board has given Limelight at least five (5) business days prior written notice (1) of certain information regarding the superior proposal and (2) that the EyeWonder board intends to terminate the merger agreement in response to such superior proposal and the opportunity to meet with

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the EyeWonder board and EyeWonder s financial advisors and outside legal counsel at such times as Limelight may reasonably request for the purpose of enabling Limelight and EyeWonder to discuss in good faith the merger agreement and the terms and conditions thereof, and any modifications of the terms and conditions of the merger agreement that Limelight may propose in response thereto;

after the foregoing five (5) business day period and any extensions and, if requested by Limelight, meetings with Limelight and its financial advisors and legal counsel during such period, (1) Limelight has not made a proposal at least as favorable or more favorable to EyeWonder s stockholders as such acquisition proposal, (2) the EyeWonder board determines in good faith, after consultation with its financial advisor and its outside legal counsel, that (A) such acquisition proposal continues to constitute a superior proposal, and (B) in light of such superior proposal and after good faith consideration of all proposals by Limelight, the failure to terminate the merger agreement would be a breach of its fiduciary duties to EyeWonder s stockholders under the DGCL; and

concurrently with the termination of the merger agreement, and as a condition to the effectiveness of such termination, EyeWonder enters into a definitive agreement for the superior proposal referenced and pays to Limelight a termination fee in accordance with the terms of the merger agreement.

Expenses and Termination Fees

The merger agreement provides also that except as provided below, and except for fees related to certain filings with governmental entities, all fees and expenses incurred in connection with the merger agreement and the merger will be paid by the party incurring such expenses.

EyeWonder Payments

The merger agreement provides that EyeWonder will reimburse the expenses incurred by Limelight up to $1.82 million in the event that the merger agreement is terminated because EyeWonder fails to obtain the requisite vote of its stockholders.

The merger agreement provides that EyeWonder will pay Limelight a termination fee of $3.5 million, less any expenses paid to Limelight in accordance with the terms described in the paragraph above, if any one of the following events occur:

(A) prior to the EyeWonder stockholder meeting, an acquisition proposal is publicly announced, has become publicly known or otherwise has become known to the EyeWonder stockholders and (B) the merger agreement is validly terminated because EyeWonder fails to obtain the requisite vote of its stockholders, and (C) within twelve (12) months following the valid termination of the merger agreement either (1) an acquisition transaction (defined below) is consummated, or (2) EyeWonder enters into a letter of intent, memorandum of understanding or other contract providing for an acquisition transaction and such acquisition transaction is consummated, whether or not within the preceding twelve (12) month period; or

the merger agreement is terminated by EyeWonder in connection with a superior proposal.

For purposes of the merger agreement, an acquisition transaction has the same meaning as an acquisition proposal except the references to 15% in the definition of acquisition transaction shall be deemed to be 50%.

Limelight Payments

The merger agreement provides that Limelight will pay EyeWonder a termination fee of $3.5 million, less any expenses paid to EyeWonder in the event that Limelight fails to obtain the requisite vote of its stockholders.

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Amendment and Waiver

The merger agreement provides that the parties may amend the merger agreement by written instrument signed by each of the parties to the agreement. However, following approval of the merger proposal by EyeWonder s stockholders, any amendment that would require the approval of EyeWonder s stockholders may not be made without the approval of the stockholder representative which approval will be binding on EyeWonder s stockholders.

The merger agreement also provides that, at any time before completion of the first-step merger, any party to the merger agreement may:

- extend the time for the performance of any of the obligations or other acts of the other parties to the merger agreement;
- waive any inaccuracies in the representations and warranties made to such party contained in the merger agreement or in any document delivered pursuant to the merger agreement; and
- waive compliance with any of the agreements or conditions for the benefit of such party contained in the merger agreement.

Limelight will disclose any material amendments or waivers to the merger agreement on a current report on Form 8-K. In addition, Limelight will issue a press release concurrently with the filing of the Form 8-K to notify stockholders promptly upon the occurrence of a material amendment or waiver to the merger agreement.

EXCHANGE AGREEMENT

As a condition to the closing of the merger, EyeWonder is required to own 100% of the capital stock of each of its subsidiaries, including its largest subsidiary, Eyewonder Europe, GmbH, or Eyewonder Europe. On December 21, 2009, the stockholders of Eyewonder Europe and Limelight entered into an Exchange Agreement pursuant to which, VEST Europe, GmbH and Tindaro Florio agreed to exchange their shares of Eyewonder Europe for shares of EyeWonder common stock. Pursuant to the terms of the Exchange Agreement, as subsequently amended, EyeWonder will issue an aggregate of up to 1,812,077 shares to VEST Europe, GmbH and Mr. Florio, based upon their respective ownership in Eyewonder Europe. In addition, there are minority interest holders in certain subsidiaries of EyeWonder Europe. Pursuant to the terms of the applicable shareholders and members agreements of those EyeWonder Europe subsidiaries, EyeWonder will issue up to an aggregate of an additional 287,349 shares to the other minority interest holders, in exchange for all outstanding minority interests. After these exchanges, EyeWonder will own 100% of the equity interests in EyeWonder Europe, which in turn will own 100% of the equity interests of each of its subsidiaries.

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VOTING AGREEMENTS

EyeWonder Voting Agreement

As a condition and inducement to Limelight s willingness to enter into the merger agreement, Limelight has entered into voting agreements with each of the beneficial owners of EyeWonder s common stock and preferred stock listed on the table below. According to the terms of such voting agreements, each party has agreed to vote (or to cause the holder of record of such shares to so vote) and has granted Limelight an irrevocable proxy to vote such party s beneficially owned shares (i) in favor of the merger proposal, (ii) against any proposal made in opposition to or in competition with the merger or that would result in a breach of the merger agreement, and (iii) against certain other proposed business transactions that would interfere with the merger, including transactions that would result in any other merger, the sale, lease or transfer of any significant part of the assets of EyeWonder or its subsidiaries or any material change in EyeWonder s capitalization.

Subject to certain exceptions described in the voting agreements, the parties to the voting agreements have agreed not to sell, pledge, encumber, assign, grant options with respect to, transfer, tender or dispose of the shares of EyeWonder common stock beneficially owned by such parties or to enter into any agreement related to any of the foregoing transactions.

Subject to certain exceptions described in the voting agreements, each of the parties to the voting agreements has made representations and warranties to Limelight regarding, among other things, such party s power and authority to enter into the voting agreement and deliver the proxy, such party s unencumbered beneficial ownership of the shares of EyeWonder common stock subject to the voting agreement, and such party s sole voting power and sole power of disposition with respect to such shares of common stock.

The voting agreements will terminate at the earliest to occur of (i) the valid termination of the merger agreement, (ii) the date on which EyeWonder has received the affirmative vote of the holders of a majority of the outstanding shares of EyeWonder s common stock, voting together as a single class, in favor of the merger proposal, or (iii) the date on which the parties to the voting agreements have agreed in writing to terminate such agreements.

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As of March 1, 2010, the securityholders listed below, each of whom entered into voting agreements with Limelight, together owned 6,787,117 shares of EyeWonder common stock, or approximately 59.10% of the voting power of EyeWonder common stock, 706,167 shares of EyeWonder Series A preferred stock, or approximately 81.17% of the voting power of EyeWonder Series A preferred stock, and 3,120,631 shares of EyeWonder Series B preferred stock, or approximately 59.79% of the voting power of EyeWonder Series B Preferred stock. In addition, such stockholders hold EyeWonder stock awards to purchase an additional 3,566,886 shares of EyeWonder common stock.

Parties to the Voting Agreement	Number of Shares of Common Stock	Number of Shares of Common Stock Issuable Upon Exercise of Outstanding Options	Number of Shares of Common Stock Issuable Upon Exercise of Outstanding Warrants	Number of Shares of Series A Preferred Stock	Number of Shares of Series B Preferred Stock
BIA Digital Partners SBIC II			942,045		
Jerome F. Connell, Jr.	332,588	331,833			
Eyevest, LLC				706,167	447,313
Tindaro Florio (1)					
Michael Griffin	219,000	350,328			
Gary H. Malowitz	127,167				422,842
Jonathan Mellinger	856,201				
Stan Thomas	407,540				
VEST Europe GmbH (1)	1,190,704				452,508
James Vincent	387,612		44,276		
John J. Vincent	2,027,829	764,671			283,046
The Vincent Family Trust	878,155		648,296		996,152
Nicholas Scott Vincent	229,674				
The Robert V. Williams Trust	130,677		485,437		518,770

(1) Excludes up to 1,812,077 shares of EyeWonder common stock that may be issued to Tindaro Florio and VEST Europe GmbH in connection with the Exchange Agreement.

Limelight Voting Agreement

As a condition and inducement to EyeWonder s willingness to enter into the merger agreement, EyeWonder has entered into voting agreements with each of the beneficial owners of Limelight s common stock listed on the table below. According to the terms of such voting agreements, each party has agreed to vote (or to cause the holder of record of such shares to so vote) and has granted EyeWonder an irrevocable proxy to vote such party s beneficially owned shares (i) in favor of the issuance of Limelight common stock in the first-step merger and (ii) against any proposal made in opposition to or in competition with the merger or that would result in a breach of the merger agreement

Subject to certain exceptions described in the voting agreements, the parties to the voting agreements have agreed not to sell, pledge, encumber, assign, grant options with respect to, transfer, tender or dispose of the shares of Limelight common stock beneficially owned by such parties.

Subject to certain exceptions described in the voting agreements, each of the parties to the voting agreements has made representations and warranties to EyeWonder regarding, among other things, such party s power and authority to enter into the voting agreement and deliver the proxy, such party s unencumbered beneficial ownership of the shares of Limelight common stock subject to the voting agreement, and such party s sole voting power and sole power of disposition with respect to such shares of common stock.

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The voting agreements will terminate at the earliest to occur of (i) the valid termination of the merger agreement, (ii) the date on which Limelight has received the affirmative vote of the holders of a majority of the outstanding shares of Limelight s common stock, voting together as a single class, in favor of the proposal to issue Limelight common stock in the transactions contemplated by the merger agreement, or (iii) the date on which the parties to the voting agreements have agreed in writing to terminate such agreements.

As of March 1, 2010, the stockholders listed below, each of whom entered into a voting agreement with EyeWonder, together owned 43,804,501 shares of Limelight common stock, or approximately 51.5% of the voting power of Limelight common stock. In addition, such stockholders hold Limelight stock awards to purchase an additional 4,563,750 shares of Limelight common stock.

Parties to the Voting Agreement	Number of Shares of Common Stock	Number of Shares of Common Stock Issuable Upon Exercise of Outstanding Options	Number of Shares of Common Stock Issuable Upon Settlement of Restricted Stock Units
GS Capital Partners Entities (1)	30,272,493	0	0
Oak Investment Partners XII, L.P.	6,133,841	0	0
Jeffrey W. Lunsford	750,060	1,950,000	650,000
Nathan F. Raciborski (2)	4,371,457	945,000	253,750
Michael M. Gordon (3)	2,276,650	605,000	160,000

(1) Includes shares held by GS Capital Partners V Fund, L.P., GS Capital Partners V Offshore Fund, L.P., GS Capital Partners V Institutional, L.P. and GS Capital Partners V GmbH & Co. KG.

(2) Includes shares held by Nathan F. Raciborski, Raciborski Family Children s Irrevocable Trust dated 10/16/09 and Nathan Raciborski Grantor Retained Annuity Trust II, dated December 15, 2009.

(3) Includes shares held by Michael M. Gordon, the Tiger Irrevocable Trust, the Tigerlilly Irrevocable Trust, the Buttercup Irrevocable Trust, the Dandelion Irrevocable Trust and the Sunshine Irrevocable Trust.

STOCK PURCHASE AGREEMENTS

As a condition and inducement to Limelight s willingness to enter into the merger agreement, Limelight has entered into stock purchase agreements with each of the beneficial owners of EyeWonder s common stock and preferred stock listed on the table below. According to the terms of such stock purchase agreements, each party has granted Limelight an option to purchase (or to cause the holder of record of such shares to so grant Limelight an option to purchase) all of the shares of EyeWonder beneficially owned by such party to Limelight if the merger agreement is terminated by EyeWonder for a superior proposal. The stock purchase agreement provides that the price for such EyeWonder shares will equal the purchase price for such shares under the merger agreement if Limelight and EyeWonder had consummated the merger (assuming the satisfaction of all performance metrics contained in the merger agreement).

Subject to certain exceptions described in the stock purchase agreements, the parties to the stock purchase agreements have agreed not to sell, pledge, encumber, assign, grant options with respect to, transfer, tender or dispose of the shares of EyeWonder common stock beneficially owned by such parties or to enter into any agreement related to any of the foregoing transactions.

Subject to certain exceptions described in the stock purchase agreements, each of the parties to the voting agreements has made representations and warranties to Limelight regarding, among other things, such party s power and authority to enter into the stock purchase agreement, such party s unencumbered beneficial ownership of the shares of EyeWonder common stock subject to the stock purchase agreement, and such party s sole power of disposition with respect to such shares of common stock.

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The stock purchase agreements will terminate at the earliest to occur of (i) the valid termination of the merger agreement (other than pursuant to a superior proposal), (ii) the consummation of the merger and (iii) the date on which the parties to the stock purchase agreements have agreed in writing to terminate such agreements.

As of March 1, 2010, the securityholders listed below, each of whom entered into a stock purchase agreement with Limelight, together owned 6,235,559 shares of EyeWonder common stock, or approximately 54.3% of the voting power of EyeWonder common stock, 706,167 shares of EyeWonder Series A preferred stock, or approximately 81.17% of the voting power of EyeWonder Series A preferred stock, and 3,120,631 shares of EyeWonder Series B preferred stock, or approximately 59.79% of the voting power of EyeWonder Series B Preferred stock. In addition, such stockholders hold EyeWonder stock awards to purchase an additional 1,942,680 shares of EyeWonder common stock.

Parties to the Stock Purchase Agreement	Number of Shares of Common Stock	Number of Shares of Common Stock Issuable Upon Exercise of Outstanding Options	Number of Shares of Common Stock Issuable Upon Exercise of Outstanding Warrants	Number of Shares of Series A Preferred Stock	Number of Shares of Series B Preferred Stock
Eyevest, LLC				706,167	447,313
Tindaro Florio (1)					
Gary H. Malowitz	127,167				422,842
Jonathan Mellinger	856,201				
Stan Thomas	407,540				
VEST Europe GmbH (1)	1,190,704				452,508
James Vincent	387,612		44,276		
John J. Vincent	2,027,829	764,671			283,046
The Vincent Family Trust	878,155		648,296		996,152
Nicholas Scott Vincent	229,674				
The Robert V. Williams Trust	130,677		485,437		518,770

(1) Excludes up to 1,812,077 shares of EyeWonder common stock that may be issued to Tindaro Florio and VEST Europe GmbH in connection with the Exchange Agreement.

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EYEWONDER MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

The following discussion and analysis of EyeWonder s financial condition and results of operations should be read in conjunction with EyeWonder s consolidated financial statements and notes thereto included in this proxy statement/prospectus. See Where You Can Find More Information on page 164. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. EyeWonder s actual results and timing of events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under Risk Factors and elsewhere in this proxy statement/prospectus. In this section, references to EyeWonder refer to EyeWonder and its consolidated subsidiaries.

Overview

EyeWonder is a leading provider of interactive digital advertising products and services to advertisers, advertising agencies and publishers. EyeWonder creates and executes high-impact online video and rich media advertising campaigns interactive digital advertising on behalf of global brand advertisers. EyeWonder delivers video advertising online and continues to lead industry innovation, delivering highly engaging brand experiences across hundreds of online publishers and all digital media channels, including online, mobile and in-game, and across a variety of formats. Through its innovative technology, products and services, EyeWonder provides advertisers, advertising agencies and content publishers the ability to create, build, deliver, track and optimize interactive advertising campaigns that produce effective results. EyeWonder s in-page, in-stream and mobile advertising products combine the quality and power of Adobe Flash® video, the latest creative features and online tracking and reporting capabilities to significantly enhance the impact and effectiveness of rich media advertising campaigns.

EyeWonder has executed campaigns for hundreds of leading advertisers across a wide variety of sectors, including Apple, Sony, FedEx, General Electric, Aetna, BP, Burger King, Nissan, Sprint, Bayer, VISA, Warner Brothers, NASA, Coca-Cola, Intel and Sega. During 2009, EyeWonder managed over 3,000 campaigns for more than 1,200 advertisers, delivering 43.5 billion advertising impressions across over 4,000 publishing sites. EyeWonder offices are located in Atlanta, New York, Los Angeles, Chicago, Dallas and San Francisco in the United States and in Dublin, London, Amsterdam, Cologne, Hamburg, Stockholm, and Sydney.

Revenues and Expenses

Revenues

EyeWonder generates substantially all of its revenues by providing online video and rich media advertising products and services that enable advertisers and agencies to easily connect compelling and effective campaigns to their audiences. EyeWonder s products combine the quality and power of flash video, creative features, and online tracking and reporting capabilities to enhance the impact and effectiveness of advertising campaigns.

EyeWonder s operating results have historically fluctuated on a quarterly basis due to the seasonal nature of Internet user traffic, and EyeWonder expects this fluctuation to continue. EyeWonder s fourth calendar quarter is typically the strongest, generating approximately 34% and 32% of annual revenues for each of the years ended December 31, 2009 and 2008, respectively. EyeWonder s first quarter is often the weakest quarter, generating approximately 17% and 15% of annual revenues for each of the years ended December 31, 2009 and 2008, respectively. The higher revenue in the fourth quarter is primarily the result of increased advertising and online shopping during November and December.

Operating Expenses

Operating expenses consist of:

- salaries, wages and employee benefits;
- selling, general and administrative expenses;
- depreciation and amortization expense; and
- other production costs.

The largest component of our operating expenses is salaries, wages and employee benefits costs, which were approximately 65% of our operating expenses in 2009. These personnel costs consist of salaries, benefits, and incentive compensation for our employees, including commissions for salespeople.

Selling, general and administrative expenses primarily consist of branding and advertising expenditures, travel expenses, rent and other headquarters expense such as accounting and legal expense.

Depreciation and amortization primarily consists of depreciation expense relating to EyeWonder s servers, computer equipment and leasehold improvements.

Other production costs vary directly with revenues and primarily consist of fees EyeWonder pays to third party CDN service providers, that enable the delivery of advertising campaigns online, and referral and ad service fees paid to third party institutions.

Results of Operations

Comparison of Years Ended December 31, 2009 and December 31, 2008

Revenues. Total revenue increased approximately 38.2% to $35.3 million for the year ended December 31, 2009 compared to $25.5 million for the year ended December 31, 2008. EyeWonder s domestic revenue increased approximately $5.2 million or 24.0% due primarily to the continued growth of non-video rich media sales in our domestic markets and by increasing the number of sales and sales support headcount and expanding our presence in Chicago, Detroit and San Francisco. These increases are partially offset by a slight decline in revenue from video rich media. Additionally, our international revenue increased $4.5 million or 122.5% due to higher sales headcount and increased marketing efforts in existing markets plus the expansion into the Netherlands, Spain and Australia. These new markets generated $2.0 million in revenues for the year ended December 31, 2009 compared with $0.2 million for the year ended December 31, 2008. Sales in the United Kingdom and Ireland markets declined in the year ended December 31, 2009, compared to the year ended December 31, 2008, due to changes in sales leadership, which occurred during the second quarter of 2009. Additional revenue growth was recognized in Europe with the introduction of EyeWonder s instream product line primarily in the German market.

The following table sets forth EyeWonder s revenues during each of the periods indicated by geographic region (dollars in thousands):

	For the year ended December 31, 2009		For the year ended December 31, 2008	
	Amount	**% revenue**	**Amount**	**% revenue**
United States	$ 27,067	76.8	$ 21,835	85.5
United Kingdom/Ireland	464	1.3	818	3.2
Germany	5,727	16.2	2,670	10.5

Netherlands	969	2.7	171	0.7
Spain	772	2.2	39	0.1
Australia	295	0.8		
Total revenue	**$ 35,294**	**100.0**	**$ 25,533**	**100.0**

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Operating costs and expenses. The tables below summarize operating expense data for the periods presented (dollars in thousands).

	For the year ended December 31,		
	2009	**2008**	**% Change**
Salaries, wages, and employee benefits	$ 21,559	$ 15,540	38.7%
Selling, general, and administrative costs	7,731	6,731	14.95%
Depreciation and Amortization	807	541	49.2%
Other production costs	2,993	3,408	(12.2)%
Total costs	**$ 33,090**	**$ 26,220**	**26.2%**

Salaries, wages, and employee benefits. Costs for the year ended December 31, 2009 increased to $21.6 million as compared to $15.5 million for the year ended December 31, 2008. This increase is primarily attributed to an increase in compensation expenses as a result of a growth in headcount to support EyeWonder s worldwide growth strategy and an increase in commissions resulting from increased sales. This increase was partially offset by reductions in health care and benefit costs due to the renegotiation of contracts. As a percentage of revenues, costs for the year ended December 31, 2009 were 61.1% as compared to 60.9% for the year ended December 31, 2008.

Selling, general, and administrative costs. Costs increased to approximately $7.7 million for the year ended December 31, 2009, from $6.7 million for the year ended December 31, 2008. This increase was attributable to increases in marketing and facility expenses resulting from continued development and expansion into new markets as part of EyeWonder s worldwide growth strategy. This increase in costs was offset by a decline in travel costs resulting from lower travel requirements between markets. As a percentage of revenues, costs for the year ended December 31, 2009 were 21.9% as compared to 26.4% for the year ended December 31, 2008 primarily due to EyeWonder s international operations obtaining increased scale and higher revenues generated.

Depreciation and amortization. Costs for the year ended December 31, 2009, increased to $0.8 million as compared to $0.5 million for the year ended December 31, 2008. This increase is primarily the result of amortization of customer intangibles resulting from the Vendi acquisition and an increase in amortization of leasehold improvements from EyeWonder s Atlanta office relocation in 2009.

Other production costs. Production costs for the year ended December 31, 2009, decreased to $3.0 million as compared to $3.4 million for the year ended December 31, 2008. The decrease is primarily attributable to lower bandwidth costs per impression delivered charged by EyeWonder s CDN providers offset by higher referral and advertisement service cost resulting from higher revenues in EyeWonder s international operations.

Operating income (loss). Operating income for the year ended December 31, 2009, was $2.2 million as compared to an operating loss of $0.7 million for the year ended December 31, 2008. This increase is primarily a result of increased revenue, lower production costs and continued cost controls in EyeWonder s domestic operations. As a percentage of revenues, operating income for the year ended December 31, 2009, was 6.2% as compared to an operating loss of 2.7% for the year ended December 31, 2008.

Interest expense, net. Interest expense, net, for the year ended December 31, 2009, was $3.3 million compared to $0.9 million for the year ended December 31, 2008. This increase is primarily due to the revaluation of EyeWonder s debt conversion liability of approximately $2.6 million for the year ended December 31, 2009.

Income tax. Income tax expense for the year ended December 31, 2009 was $1.0 million, due primarily to the profitability of EyeWonder s North American and German markets. For the year ended December 31, 2008, EyeWonder did not recognize any tax benefit or expense. For the markets with deferred tax assets, EyeWonder regularly assesses whether it is more likely than not that its deferred tax asset balance will be recovered from

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future taxable income, taking into account such factors as EyeWonder s earnings history, carryback and carryforward periods, and tax planning strategies. When sufficient evidence exists that indicates that recovery is uncertain, a valuation allowance is established against the deferred tax asset, increasing income tax expense in the period that such determination is made.

A significant factor in EyeWonder s assessment of the recoverability of the deferred tax asset is EyeWonder s history of cumulative losses. For the year ended December 31, 2009, EyeWonder concluded that the recoverability of the deferred tax assets for those markets where a deferred tax asset exists, was uncertain based upon its cumulative losses and it was determined that a valuation allowance was necessary to fully reserve EyeWonder s deferred tax assets. EyeWonder expects that it will not recognize income tax benefits until a determination is made that a valuation allowance for all or some portion of the deferred tax assets is no longer required. For the year ended December 31, 2009, EyeWonder has valuation allowances on deferred tax assets in the United Kingdom, Spain, Australia, and the Netherlands.

Comparison of Years Ended December 31, 2008 and December 31, 2007

Revenues. Total revenue increased approximately 63.2% to $25.5 million for the year ended December 31, 2008 compared to $15.6 million for the year ended December 31, 2007. This increase was due to the continued expansion of EyeWonder s sales headcount in all the domestic markets it provides services.

In addition, EyeWonder continued to expand into various European markets in 2008, and as a result of this expansion, international revenue for the year ended December 31, 2008 was $3.7 million versus $0.2 million for the year ended December 31, 2007. The following table sets forth EyeWonder s revenues during each of the periods indicated by geographic region (dollars in thousands):

	Year Ended December 31, 2008		Year Ended December 31, 2007	
	Amount	% revenue	Amount	% revenue
United States	$ 21,835	85.5	$ 15,401	98.4
United Kingdom/Ireland	818	3.2	245	1.6
Germany	2,670	10.5		
Netherlands	171	0.7		
Spain	39	0.1		
Total revenue	**$ 25,533**	**100.0**	**$ 15,646**	**100.0**

Operating costs and expenses. The table below summarizes operating expense data for the periods presented (dollars in thousands):

	For the year ended December 31,		
	2008	2007	% Change
Salaries, wages, and employee benefits	$ 15,540	$ 7,778	99.8
Selling, general, and administrative costs	6,731	4,155	62.0
Depreciation and Amortization	541	278	94.6
Other production costs	3,408	1,197	184.7
Total costs	**$ 26,220**	**$ 13,408**	**95.6**

Salaries, wages, and employee benefits. Costs for the year ended December 31, 2008 increased to $15.5 million as compared to $7.8 million for the year ended December 31, 2007. The increase was primarily attributed to an increase in compensation expenses as a result of a growth in headcount to support EyeWonder s worldwide growth strategy and an increase in commissions resulting from increased sales levels. As a percentage of

revenues, costs for the year ended December 31, 2008 were 60.1% as compared to 49.7% for the year ended December 31, 2007. This percentage increase was primarily a result of an increase in headcount levels to support markets that have not yet reached scale.

Selling, general, and administrative cost. Costs increased to approximately $6.7 million for the year ended December 31, 2008 from $4.2 million for the year ended December 31, 2007. The increase was due to increases in marketing, travel, and facility expenses resulting from expansion into new markets as part of EyeWonder s worldwide growth strategy. As a percentage of revenues, costs for the year ended December 31, 2008 were 26.4% as compared to 26.6% for the year ended December 31, 2007.

Depreciation and amortization. Costs for the year ended December 31, 2008 increased to $0.5 million as compared to $0.3 million for the year ended December 31, 2007. The increase in costs was primarily the result of capital purchases in late 2007.

Other production costs. Production costs for year ended December 31, 2008 increased to $3.4 million as compared to $1.2 million for the year ended December 31, 2007. The increase in costs was due to the higher fees charged by CDN providers for bandwidth usage resulting from increased usage of bandwidth and increased referral fees in EyeWonder s international operations from higher international revenues. As a percentage of revenues, costs for the year ended December 31, 2008 were 13.3% as compared to 7.7% for the year ended December 31, 2007.

Operating income (loss). Operating loss for the year ended December 31, 2008 was $0.7 million as compared to operating income of $2.2 million for the year ended December 31, 2007. This fluctuation was primarily a result of the expansion of EyeWonder s operations internationally where these markets have not yet reached full scale but require additional support costs. This fluctuation was partially offset by the increased revenues from the continued expansion of the United States market. As a percentage of revenues, operating loss for the year ended December 31, 2008 was 2.7% as compared to an operating income percentage of 14.3% for the year ended December 31, 2007.

Interest expense, net. Interest expense, net for the year ended December 31, 2008 increased to $0.9 million from $0.6 million for the year ended December 31, 2007. The increase was primarily due to interest expense associated with the $4.0 million term note EyeWonder obtained in May 2007 and the additional $1.0 million in term notes obtained in May 2008.

Income tax. During 2008 and 2007 EyeWonder did not recognize any tax benefit. At December 31, 2008 and December 31, 2007, EyeWonder s consolidated deferred tax assets were $1.3 million and $2.0 million, respectively, before the effects of any valuation allowance. EyeWonder regularly assesses whether it is more likely than not that its deferred tax asset balance will be recovered from future taxable income, taking into account such factors as earnings history, carryback and carryforward periods, and tax planning strategies. When sufficient evidence exists that indicates that recovery is uncertain, a valuation allowance is established against the deferred tax asset, increasing income tax expense in the period that such determination is made.

A significant factor in EyeWonder s assessment of the recoverability of the deferred tax asset is EyeWonder s history of cumulative losses. During 2008, EyeWonder concluded that the recoverability of the deferred tax assets was uncertain based upon its cumulative losses and it was determined that a valuation allowance was necessary to fully reserve its deferred tax assets. EyeWonder expects that it will not recognize income tax benefits until a determination is made that a valuation allowance for all or some portion of the deferred tax assets is no longer required.

Liquidity and Capital Resources

EyeWonder has financed its operations primarily through cash flows generated by operations and private issuances of debt and equity. EyeWonder believes that its future cash flows from operations and current cash and

cash equivalents will be sufficient to meet its anticipated cash needs for working capital and capital expenditures for the next twelve months. EyeWonder s principal sources of liquidity are expected to be its existing cash and cash equivalents, as well as the cash flow that it generates from operations.

As of December 31, 2009, EyeWonder s cash and cash equivalents were $2.2 million, as compared to $2.1 million at December 31, 2008. EyeWonder s cash and cash equivalents are highly liquid investments with original maturities of 90 days or less at date of issuance and consist of time deposits and investments in money market funds with commercial banks and financial institutions.

Operating activities. Cash provided by/(used in) operating activities primarily consists of net income adjusted for certain non-cash items including depreciation, non-cash interest, stock-based compensation, and the effect of changes in working capital. The rapid expansion of our operations in existing and new markets has increased our working capital requirements and the majority of this increase in costs is in personnel cost needed to support our growth. This has increased EyeWonder s working capital requirements and had a negative effect on cash flow provided by operating activities. Net cash provided by operating activities for the year ended December 31, 2009 was $0.6 million compared to net cash used in operating activities of $3.5 million for the year ended December 31, 2008. The increase in net cash from operating activities reflects increases in net income adjusted for non-cash items and changes in accrued liabilities. Net cash used by operating activities for the year ended December 31, 2007 was $1.7 million and was used primarily by EyeWonder s net income, and an increase in trade receivables reflecting higher revenues. The increase in net cash used by operating activities was primarily due to a decrease in net income and an increase in accounts receivables.

Investing activities. Net cash used in investing activities in the years ended December 31, 2009, 2008 and 2007 was $1.4 million, $1.6 million and $0.7 million, respectively. Investing activities consisted primarily of the purchase of marketable securities, acquisition costs from the purchase of Vendi, restricted cash and capital expenditures. Capital expenditures are generally comprised of computer hardware, software, and leasehold improvements for EyeWonder s facilities. EyeWonder s capital expenditures were approximately $1.0 million in 2009, and EyeWonder expects to invest similar amounts in 2010.

Financing activities. Net cash provided by financing activities for the year ended December 31, 2009 was $0.8 million, primarily attributable to issuance of notes payable from a related party and issuance of common stock. Net cash provided by financing activities for the year ended December 31, 2008 was $5.9 million due primarily to a May 2008 financing where EyeWonder sold Series C preferred stock to new investors for total consideration of $5.0 million. Net cash provided by financing activities for the year ended December 31, 2007 was $3.6 million, generated by borrowings on term debt and the issuance of preferred stock.

Contractual Obligations

The following table presents minimum payments due under contractual obligations with minimum firm commitments as of December 31, 2009 (dollars in thousands):

		Payments Due By Period			
Contractual Obligations	**Total**	**Less than 1 Year**	**1 3 years**	**3 5 years**	**More than 5 years**
Operating lease obligations	$ 1,698	$ 785	$ 913	$	$
Capital lease obligations	$ 380	$ 138	$ 242	$	$
Loans payable	$ 11,869	$ 731	$ 11,138	$	$
Total obligations	$ 13,947	$ 1,654	$ 12,293	$	$

Off-Balance Sheet Arrangements

EyeWonder does not engage in any off-balance sheet financing arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies

EyeWonder management s discussion and analysis of financial condition and results of operation is based upon EyeWonder s consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires EyeWonder management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. On a periodic basis, EyeWonder re-evaluates its estimates using authoritative pronouncements, historical experience and other assumptions as the basis for making estimates. Actual results could differ from these estimates.

EyeWonder s significant accounting policies are more fully described in the notes to EyeWonder s consolidated financial statements included elsewhere in this proxy statement/prospectus.

EyeWonder management believes the following critical accounting policies are affected by its more significant judgments and estimates used in the preparation of financial statements and are critical to a full understanding and evaluation of EyeWonder s reported financial results.

Revenue Recognition

EyeWonder generates substantially all of its revenues from providing online video and rich media advertising products and services that enable advertisers and agencies to easily connect compelling and effective campaigns to their audiences. All revenue is recognized in the month services were delivered, regardless of the timing of cash receipts. Early payments are not recognized as revenue but are recorded as customer deposits until the advertisements have been served and impressions have been generated. Revenues are based on a contractually specified rate per impression.

Restricted Cash

Restricted cash is excluded from cash and cash equivalents in the accompanying balance sheets.

Accounts Receivable

EyeWonder s accounts receivable are comprised of amounts due from customers. Credit is extended based on the customer s credit quality and history with EyeWonder. Accounts receivable are stated at amounts due, net of an allowance for doubtful accounts. EyeWonder determines its allowance by considering the length of time receivables are past due, EyeWonder s previous loss history and the customer s ability to pay its obligation. EyeWonder writes off accounts receivables when they become uncollectible.

Derivatives

All derivatives are accounted for using ASC No. 815, Accounting for Derivative Instruments and Hedging Activities. Accordingly, EyeWonder recognizes these derivatives in the Consolidated Financial Statements at fair value and they are reported in other assets or liabilities. Classification of each derivative as current or noncurrent is based upon whether the maturity of the instrument is less than or greater than 12 months. Changes in the fair value of a derivative are recorded in other income and expense.

In May 2008, EyeWonder issued 654,534 shares of Series C preferred stock for $5.0 million. The holder of the Series C preferred stock has the right to exchange all of its shares for Senior Subordinated Notes plus accrued interest from the date of issuance and warrants to purchase shares of common stock representing 0.33% of fully diluted outstanding shares at the time of conversion for each $1,000 in Series C converted. As a result, EyeWonder determined that the fair value of the debt conversion feature would be recorded as an embedded derivative liability and marked to fair value at each reporting period with changes in fair value recognized in earnings.

In determining the fair value of the Series C debt conversion feature, EyeWonder used the probability-weighted expected return methodology that incorporates elements the holder is likely to consider, including the expected future value of EyeWonder, the likelihood of an event that may force exercise of the debt conversion option, and the likely maximum return to the investor. Using this methodology, the value of the derivative was calculated as the present value of the difference between the return to Series C Preferred investors with and without the debt conversion option.

In May 2008, upon issuance of the Series C preferred stock, the value of the debt conversion feature was recorded as a liability of $52,000. At December 31, 2008 the debt conversation feature was valued at $145,000 and the additional liability of $93,000 was recorded as interest expense. In 2009, EyeWonder recorded additional interest expense on the debt conversion feature of $2.6 million. As a result of the exercise of the debt conversion feature in December 2009, the associated derivative liability was extinguished.

Income Taxes

Income taxes are accounted for under the asset and liability method. A valuation allowance is established against net deferred tax assets unless EyeWonder believes it is more likely than not that the benefit will be realized.

In 2009, EyeWonder adopted guidance relating to the accounting for uncertainty in tax positions. This provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions in an enterprise's financial statements. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon adoption and in subsequent periods. This adoption did not have a material impact on EyeWonder s financial statements. EyeWonder s policy for recording potential interest and penalties associated with uncertain tax positions is to record such items as a component of income tax expense.

Research and Development and Software Development Costs

Research and development costs are expensed as incurred. Development costs were $3.1 million and $0.7 million for the years ended December 31, 2009 and 2008, respectively, and are recorded primarily as a component of salaries, wages, and employee benefits. Costs incurred subsequent to establishing technological feasibility, in the form of a working model, are capitalized and amortized over their estimated useful lives. To date, software development costs incurred after technological feasibility has been established have not been material.

Stock Compensation

Effective January 1, 2006, EyeWonder adopted the fair value recognition provision of ASC No. 718, Share-Based Payment, which requires the fair value of stock options to be measured and recognized in earnings, using the prospective transition method. This method allows the application of the provisions of ASC No. 718 to equity-based grants awarded, cancelled or modified subsequent to adoption.

Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may impact EyeWonder s financial position due to adverse change in financial market prices and rates. In the course of EyeWonder s normal operations, EyeWonder is exposed to market risks, including fluctuations in foreign currency exchange rates and interest rates.

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Foreign Exchange Risk

EyeWonder conducts business in a large number of countries including the United States, the United Kingdom, Ireland, the Netherlands, Germany, Spain and Australia. Most of EyeWonder s revenues are generated in U.S. dollars, the euro and the Australian dollar. Based on EyeWonder s results for the year ended December 31, 2009, a 1% change in the value of the euro and the Australian dollar against the U.S. dollar would have changed our revenues by $81,000 and $3,000, respectively. Most of EyeWonder s expenses are denominated in U.S. dollars, the euro and the Australian dollar. Based on EyeWonder s results for the year ended December 31, 2009, a 1% change in the value of the euro and the Australian dollar against the U.S. dollar would have changed its expenses by $58,000 and $4,000, respectively. In the future, the percentage of its revenues earned in other currencies may increase as EyeWonder further expands sales internationally. Accordingly, EyeWonder is subject to the risk of exchange rate fluctuations between such other currencies and the dollar. EyeWonder currently does not hedge currency risk through formal hedge arrangements.

Interest Rate Risk

EyeWonder s exposure to market risk for changes in interest rates relates primarily to its debt. EyeWonder does not believe that a 1% change in interest rates would have a material impact on its financial position, results of operations or cash flows for the year ended December 31, 2009.

MANAGEMENT AND OTHER INFORMATION

After the completion of the merger, EyeWonder will be a wholly owned subsidiary of Limelight, and all of EyeWonder s subsidiaries will be indirect wholly owned subsidiaries of Limelight. The merger agreement provides that Limelight will take all action necessary, such that, as of the completion of the merger, the Limelight board of directors will consist of ten (10) directors. The merger agreement also provides that Limelight will take all action necessary, such that, as of the completion of the merger, Thomas Falk and John J. Vincent will be appointed to the Limelight board of directors to fill the vacancies created by the increase in the number of directors. It is anticipated that, following the merger, the Limelight board of directors will consist of Walter D. Amaral, Thomas Falk, Jeffrey T. Fisher, Joseph H. Gleberman, Fredric W. Harman, Jeffrey W. Lunsford, Peter J. Perrone, David C. Peterschmidt, Nathan F. Raciborski and John J. Vincent.

Information relating to the management, executive compensation, certain relationships and related transactions and other related matters pertaining to Limelight is contained in or incorporated by reference in Limelight s annual report on Form 10-K which is incorporated by reference in this proxy statement/prospectus. See Where You Can Find More Information on page 164.

Board of Directors of EyeWonder

The following information sets forth information related to Thomas Falk and John J. Vincent, the directors of EyeWonder and the executive officer of EyeWonder who will serve as directors or executive officers of Limelight following the merger. Mr. Falk did not receive compensation from EyeWonder for the periods that compensation is disclosed for Mr. Vincent, as set forth below.

Thomas Falk has served as a director of EyeWonder since September 2009. Mr. Falk is a principal of VEST Europe GmbH, a significant EyeWonder stockholder. Mr. Falk is a successful investor in Germany s online sector, and founded his first company, Falk & Partners, in high school. While pursuing his university degree, he founded Falk eSolutions AG, which became a pan-European provider of ASP online ad-serving solutions. After expanding Falk eSolutions into the U.S., Falk eSolutions was purchased by DoubleClick in 2006. Mr. Falk served as DoubleClick s managing director for Europe until Google s acquisition of DoubleClick in 2007. Mr. Falk is the Chief Executive Officer of eValue, a venture firm focused on Internet technology start-up companies focused on new and digital media. eValue supports companies with funding, technology know-how, human resources, public relations, financial management and intensive merger and acquisition advice and assistance. In 2008, Mr. Falk helped to found the German online video network smartclip AG, which now is owned by smartclip Holdings AG, and operates in other European countries and in the U.S. Mr. Falk also is the founding investor of United Mail Solutions, a European email marketing solutions provider. Mr. Falk was 30 years of age as of March 1, 2010.

Mr. Falk has over 10 years experience in the online sector. His experience includes organizations of different sizes, and he has served in founder, executive management and development roles. Mr. Falk, as Chief Executive Officer of eValue, has invested in, and assisted in the initial phase of, a number of Internet technology start-up companies. EyeWonder believes that Mr. Falk s extensive industry knowledge and different industry perspectives whether as an entrepreneur with a new start-up organization or as an executive with a larger, more mature one are beneficial for EyeWonder s board of directors.

John J. Vincent is a co-founder of EyeWonder and has served as a director of EyeWonder since December 1999. He served as EyeWonder s Chief Executive Officer from December 1999 through October 2004, and has served as its Chief Executive Officer since March 2006. Before founding EyeWonder, he served as Executive Officer and Director of Sales for Magellan Marketing, Inc., a privately held, national outdoor media company. Mr. Vincent founded Telluride Real Estate Corporation in September 1997, a real estate holding company specializing in long-term holdings of single- and multi-family residential dwellings. Mr. Vincent founded Captive Concepts, Inc., an arena advertising and place-based media company, in July 1995. While with

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Captive Concepts, he led the development of the business through capital investments, business plan development, client solicitation and staff development. Mr. Vincent graduated from Vanderbilt University with a B.A. in Psychology and concentrations in Economics and Pre-Medicine. Mr. Vincent was 38 years of age as of March 1, 2010.

As Chief Executive Officer, as well as the founder, of EyeWonder, Mr. Vincent brings deep institutional knowledge and perspective to EyeWonder s board of directors regarding its strengths, challenges and opportunities. Additionally, Mr. Vincent provides essential insight and guidance to EyeWonder s board of directors from an insider perspective of the day-to-day operations of EyeWonder.

Related Transactions and Business Relationships

Policy on Related Party Transactions

EyeWonder recognizes that transactions between EyeWonder or its subsidiaries and any of its directors or executive officers can present potential or actual conflicts of interest. Accordingly, as a general matter it is EyeWonder s preference to avoid such transactions. Nevertheless, EyeWonder recognizes that there are circumstances where such transactions may be in, or not inconsistent with, the best interests of EyeWonder. Therefore, as a matter of practice, the board of directors of EyeWonder reviews any transaction in which EyeWonder is or will be a participant and in which any of EyeWonder s directors, executive officers or significant stockholders had, has or will have a direct or indirect material interest. After its review, the board of directors will approve or ratify only those transactions that are in, or are not inconsistent with, the best interests of EyeWonder and its stockholders.

Certain Related Transactions and Business Relationships

EyeWonder and John J. Vincent, the Chief Executive Officer and Chairman of EyeWonder, each own a 50% interest in ADNTWK, LLC, a Delaware limited liability company, which owns an equity interest in smartclip Holdings AG, a German company, and in Smartclip, LLC, a Delaware limited liability company. Thomas Falk is a shareholder of eValue AG, a German company which holds an equity interest in smartclip Holdings AG and Smartclip, LLC. EyeWonder also provides services to various majority-owned subsidiaries of smartclip Holdings AG. Such subsidiaries operate video advertising networks in certain European countries and in the United States, and EyeWonder receives fees for the services that it provides to such companies. For fiscal year ending December 31, 2009, EyeWonder, through certain of its subsidiaries, received fees equal to EUR565,052, or approximately $796,723 (based on an exchange rate of $1.41 for EUR1). Mr. Vincent s equity interests in ADNTWK, LLC, smartclip Holdings AG and Smartclip, LLC and Mr. Falk s equity interests in smartclip Holdings AG and Smartclip, LLC have been disclosed to, and approved by, EyeWonder s board of directors. Mr. Vincent indirectly holds a 7.5% ownership interest in smartclip Holdings AG and VEST Europe GmbH, an over 5% beneficial owner of EyeWonder s voting stock, holds a 40% ownership interest in smartclip Holdings AG. The approximate dollar value of Mr. Vincent s and VEST Europe GmbH s interests in the services provided to the majority-owned subsidiaries of smartclip Holdings AG are $45,000 and $239,000, respectively.

Additionally, Mr. Vincent, the beneficial owner of approximately 16.77% of EyeWonder s common stock, is the son of Nicholas J. Vincent, a member of the board of directors and the trustee of The Vincent Family Trust which owns of 13.84% of EyeWonder s common stock.

Certain officers and employees of EyeWonder are indebted to EyeWonder in connection with purchases of EyeWonder capital stock from certain EyeWonder stockholders. The principal amount of the total aggregate indebtedness outstanding was approximately $312,000 as of December 31, 2009. All of such indebtedness will be repaid prior to the closing of the merger. All such indebtedness was approved by EyeWonder s board of directors.

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Compensation of Directors and Executive Officers of EyeWonder

Compensation Objectives and Overall Compensation Philosophy

EyeWonder s executive compensation program is designed to enhance EyeWonder s profitability, and thus stockholder value, by aligning executive compensation with EyeWonder s expectations and performance, and by establishing a system that can retain and reward executive officers who contribute to the long-term success of EyeWonder. More specifically, the overall goals of the executive compensation program are as follows:

- attract, motivate and reward exceptional executives whose knowledge, skills and performance are critical to achieving strategic business objectives;
- provide a direct, meaningful link between achievement of overall corporate goals and total compensation;
- align executive interests with those of stockholders by providing long-term equity incentives to build a sustainable company while effectively managing dilution; and
- promote and facilitate stock ownership by executive officers.

Board Oversight

The board of directors has overall responsibility with respect to approving and monitoring EyeWonder s executive compensation program. The board, among other things, establishes and approves the compensation level of each of EyeWonder s executive officers, reviews and approves corporate goals and objectives relevant to the compensation of the executive officers, evaluates the performance of the executive officers in light of these goals and objectives, determines and approves compensation based on these objectives and its evaluations, establishes criteria for granting stock options to the executive officers and EyeWonder s other employees, considering the recommendations of senior management, and approves such stock option grants.

EyeWonder s board annually reviews and discusses the compensation of the executive officers with John J. Vincent, EyeWonder s Chief Executive Officer, and consults with Mr. Vincent in evaluating the performance of the executive officers. In addition, Mr. Vincent may make recommendations to the board regarding compensation for all of the executive officers, other than for himself.

As discussed in greater detail below, the levels of each element of compensation for EyeWonder s executive officers are determined based on several factors, which may include EyeWonder s historical performance and relative stockholder return, the board s informal assessment of compensation paid to executives in comparable industries, the amount and the elements of compensation provided in previous years, the terms of each executive officer s employment agreement with EyeWonder, the board s expectations for EyeWonder s future financial performance and other matters that the board deems relevant. In addition, the board considers the level of experience and the responsibilities of each executive officer, his performance and the personal contributions he makes to the success of EyeWonder. Leadership skills, analytical skills, organization development, public affairs and civic involvement have been and will continue to be deemed to be important qualitative factors to take into account in considering elements and levels of compensation. EyeWonder has not adopted any formal or informal policy for allocating compensation between long-term and short-term elements, between cash and non-cash or among the different possible forms of non-cash compensation.

In 2009, EyeWonder s executive compensation program consisted of the following principal components: base salary, annual cash bonuses, long-term incentive compensation in the form of stock option awards, and benefit plans generally available to all employees. The use and weight of the executive compensation components were based on a subjective determination by the board of directors of the importance of each

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component in meeting the board s overall compensation objectives, including EyeWonder s incentive and retention needs and the need to align incentives with EyeWonder s stockholders interests. EyeWonder s board of directors believes the resulting compensation mix is necessary to help EyeWonder attract and retain the executive talent on which EyeWonder s success depends. The board of directors believes that this set of components is effective and will continue to be effective in achieving the objectives of EyeWonder s compensation program and philosophy.

Elements of Compensation

Base Salary. Base salary for each of EyeWonder s executive officers is determined annually based on, among other things, his experience and the scope of his responsibilities, his performance and the performance of EyeWonder, the board s expectations for EyeWonder s future financial performance and the board s informal assessment of salaries paid to executives in comparable industries. The board believes that base salaries are an important part of EyeWonder s executive compensation program because they provide the executive officers with a steady income stream that is not contingent upon EyeWonder s overall performance.

Discretionary Cash Bonuses. EyeWonder utilizes quarterly discretionary cash bonuses to provide additional compensation to the executive officers, and to reward them for their performance. The board has not adopted any formal or informal performance or other objectives for calculating or paying these discretionary bonuses, other than generally paying such bonuses only for periods for which EyeWonder has generated an operating profit. In determining a discretionary bonus, the board considers, among other things, the operating profit generated in the applicable period, EyeWonder s performance for the previous period, relative stockholder value, discretionary bonuses awarded in previous periods, and the performance of the executive officer and his personal contributions to the success of EyeWonder.

Discretionary cash bonuses, as opposed to grants of stock options or other equity-based awards, are designed to provide additional compensation to EyeWonder s executive officers, and to more immediately reward them for their performance. The immediacy of these bonuses provides an incentive to the executive officers to raise their level of performance, and thus EyeWonder s overall level of performance. Thus, the board believes that discretionary cash bonuses are an important motivating factor for the executive officers.

Equity Compensation. EyeWonder believes that long-term company performance is achieved through an ownership culture that aligns the interests of its executive officers through the use of stock-based awards. Stock options and other equity-based awards provide EyeWonder s executive officers with a strong link to EyeWonder s long-term performance, promote an ownership culture and more closely align the interest of the executive officers and EyeWonder s stockholders. All equity incentive awards are and have been under EyeWonder s 2000 Stock Incentive Plan. This plan provides the board with broad discretion to fashion the terms of awards to provide eligible participants with such stock-based incentives as it deems appropriate. It permits the issuance of awards in a variety of forms, including incentive stock options, non-qualified stock options, restricted stock, stock awards, performance share awards and stock appreciation rights.

In general, stock options for existing executive officers are reviewed annually by the board and additional grants may be approved and are subject to vesting as may be determined by the board at the time of grant. In the absence of a public trading market of EyeWonder s common stock, the board has determined the fair market value of its common stock in good faith.

The size and terms of the initial option grants made to each executive officer upon joining EyeWonder are primarily based on competitive conditions applicable to the executive officer s specific position. In addition, the board considers the total fully-diluted equity interest of other executives in comparable positions with EyeWonder.

Severance Benefits. As discussed in more detail in the Potential Payments Upon Termination section below, certain EyeWonder executive officers have a provision in their employment agreements providing for

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certain severance benefits in the event of termination without cause or a termination due to disability. The severance benefits do not influence and are not influenced by the other elements of compensation as these benefits serve different objectives than the other elements.

Executive Compensation Tables

The following table sets forth all of the compensation awarded to, earned by, or paid by EyeWonder during the years ended December 31, 2009, 2008 and 2007, respectively, to John J. Vincent, the executive officer of EyeWonder who will serve as an executive officer of Limelight following the merger.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Option Awards (1)	Total
John J. Vincent	2009	$ 250,000	$ 33,000	$	$ 283,000
Chief Executive Officer	2008	$ 250,000	$ 6,346	$	$ 256,346
	2007	$ 175,000	$ 51,263	$ 72,190	$ 298,453

(1) Amounts represent stock based compensation expenses for fiscal years 2007, 2008 and 2009 for stock and option awards under SFAS 123R.

Outstanding Equity Awards at Fiscal Year End

The following table presents certain information concerning the outstanding option and restricted stock, and restricted stock unit awards held as of December 31, 2009 by John J. Vincent.

	Option Awards				
Name	Number of Securities Underlying Unexercised Options: Exercisable	Number of Securities Underlying Unexercised Options: Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date
John J. Vincent	560,000			$ .32	2/17/10
	56,667			$ .75	1/2/13
	98,004			$ .515	1/3/14
	50,000			$ 1.00	1/1/17

401(K) Plan

EyeWonder maintains a contributory retirement plan for all full-time employees. The plan is designed to provide tax-deferred income to EyeWonder s employees in accordance with the provisions of Section 401(k) of the Internal Revenue Code. In 2009, the plan provided that each participant could contribute up to 75% of his or her plan compensation. For 2009, EyeWonder matched 50% of the first 3% of participant contributions. Matching contributions vest over 4 years.

Potential Payments Upon Termination

EyeWonder is party to employment agreements with each of its executive officers. Each of these employment agreements address, among other things, compensation and benefits that would be paid to the applicable executive officer in the event that his employment is terminated for different reasons, including termination for cause or without cause, and termination in connection with a change in control.

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John J. Vincent. In January 2008, EyeWonder entered into an employment agreement with Mr. Vincent that provides for a one (1) year term, extended automatically for additional one (1) year terms unless terminated by either party by giving written notice to terminate no less than sixty (60) days before the end of the then-current term. The employment agreement provides for a base salary of $250,000. Additionally, Mr. Vincent may participate in any bonus or other incentive compensation plan implemented by EyeWonder, EyeWonder s 401(k) savings plan, insurance plans and other benefit plans provided to executive officers of EyeWonder. EyeWonder may terminate the agreement for any reason upon thirty (30) days prior written notice and Mr. Vincent may terminate the agreement upon thirty (30) days prior written notice if EyeWonder is in material default of its obligations under the agreement, and EyeWonder may terminate the agreement at any time for cause or upon Mr. Vincent s death or disability. If termination is due to disability or for other than cause, he is entitled to certain benefits described below. The employment agreement defines cause as:

Mr. Vincent s conviction of a felony under state or federal law, or Mr. Vincent s commission of an act of employment discrimination or sexual harassment under state or federal law;

Mr. Vincent s continued breach of any provision of the employment agreement for a period of thirty (30) days after written notice of such breach is given by EyeWonder;

Mr. Vincent s failure to comply with any directive of EyeWonder s board of directors that continues for ten (10) days after written notice is given to Mr. Vincent;

Mr. Vincent s violation of any restrictive covenant contained in the employment agreement;

Mr. Vincent taking actions in conflict of interest with EyeWonder or any of its subsidiaries or affiliates, given Mr. Vincent s position with EyeWonder;

Mr. Vincent s usurpation of a corporate opportunity of EyeWonder or any of its subsidiaries or affiliates;

Mr. Vincent s failure to perform any of his duties or responsibilities under the employment agreement; and

Mr. Vincent s voluntary cessation of employment before the expiration date of the employment agreement.

Mr. Vincent s employment agreement provides that if his employment (i) terminates due to disability, he would be entitled to receive continued cash severance payments equal to his current base salary for a period of ninety (90) days, reduced by any amounts received by him under any insurance or other benefits policies or programs (whether paid for by such executive officer or EyeWonder), or (ii) is terminated by EyeWonder for any other reason other than cause, he would be entitled to receive continued cash severance payments equal to his base salary for a period of sixty (60) days. The information for Mr. Vincent regarding severance payments if his employment is terminated for these reasons, as of January 1, 2010, is set forth in the table below.

Name	Benefit	Termination Other Than for Cause or Disability	Termination for Disability
John J. Vincent	Severance	$ 41,667	$ 62,500

Director Compensation

No member of EyeWonder s board of directors (employee or non-employee) ever has received any compensation, whether in the form of cash or equity, for service on the board.

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Compensation Committee Interlocks and Insider Participation

On January 12, 2007, the EyeWonder board of directors determined that, because two of the three members of the board s compensation committee had resigned from the board, decisions regarding compensation would be made by the board of directors as a whole until a successor compensation committee was appointed. No successor compensation committee has been appointed. Therefore, the board of directors has overall responsibility with respect to approving and monitoring EyeWonder s executive compensation program. Each of the members of the board of directors, currently consisting of John J. Vincent, Nicholas Vincent, W. Chris Blane, Scott Chappell, Thomas Falk and Joseph Apprendi, participated in the consideration of executive officer and director compensation. During fiscal year 2009, John J. Vincent served as Chief Executive Officer of EyeWonder and did not participate in the consideration of his own compensation. Additionally, Nicholas Vincent is the father of John J. Vincent.

LIMELIGHT PROPOSAL NO. 2

POSSIBLE ADJOURNMENT OF THE LIMELIGHT SPECIAL MEETING

If Limelight fails to receive a sufficient number of votes to approve Proposal No. 1, Limelight may propose to adjourn the Limelight special meeting, if a quorum is present, for the purpose of soliciting additional proxies to approve Proposal No. 1. Limelight currently does not intend to propose adjournment at the Limelight special meeting if there are sufficient votes to approve Proposal No. 1. If approval of the proposal to adjourn the Limelight special meeting for the purpose of soliciting additional proxies is submitted to stockholders for approval at the Limelight special meeting, such approval requires the affirmative vote of the holders of a majority of the voting power of the shares entitled to vote on the subject matter present in person or represented by proxy at the Limelight special meeting.

Failure of this Proposal No. 2 to pass will not affect the ability of either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, to adjourn the special meeting, without notice other than announcement at the meeting, in the event that a sufficient number of shares of Limelight capital stock are not represented at the special meeting to establish a quorum, or for any other lawful purpose.

Accordingly, the Limelight board of directors unanimously recommends that Limelight stockholders vote FOR Proposal No. 2.

EYEWONDER PROPOSAL NO. 2

CONVERSION OF SERIES A PREFERRED STOCK

In this proposal, EyeWonder is asking its stockholders to approve the conversion of each outstanding share of EyeWonder Series A preferred stock into EyeWonder common stock immediately prior to the effective time of the first-step merger in accordance with EyeWonder s certificate of incorporation. EyeWonder s certificate of incorporation provides that the holders of at least a majority of the then outstanding EyeWonder Series A preferred stock may approve the conversion of all outstanding shares of EyeWonder Series A preferred stock into shares of EyeWonder common stock. It is a condition of the merger that all EyeWonder preferred stock be converted into EyeWonder common stock immediately prior to the effective time of the first-step merger.

Approval of the proposal to convert all outstanding shares of EyeWonder Series A preferred stock into EyeWonder common stock requires the affirmative vote of the holders of at least a majority of the outstanding shares of EyeWonder Series A preferred stock.

Accordingly, the EyeWonder board of directors unanimously recommends that EyeWonder stockholders vote FOR the proposal to convert all outstanding shares of EyeWonder Series A preferred stock into EyeWonder common stock.

EYEWONDER PROPOSAL NO. 3

CONVERSION OF SERIES B PREFERRED STOCK

In this proposal, EyeWonder is asking its stockholders to approve the conversion of each outstanding share of EyeWonder Series B preferred stock into EyeWonder common stock immediately prior to the effective time of the first-step merger in accordance with EyeWonder s certificate of incorporation. EyeWonder s certificate of incorporation provides that the holders of at least a majority of the then outstanding EyeWonder Series B preferred stock may approve the conversion of all outstanding shares of EyeWonder Series B preferred stock into shares of EyeWonder common stock. It is a condition of the merger that all EyeWonder preferred stock be converted into EyeWonder common stock immediately prior to the effective time of the first-step merger.

Approval of the proposal to convert all outstanding shares of EyeWonder Series B preferred stock into EyeWonder common stock requires the affirmative vote of the holders of at least a majority of the outstanding shares of EyeWonder Series B preferred stock.

Accordingly, the EyeWonder board of directors unanimously recommends that EyeWonder stockholders vote FOR the proposal to convert all outstanding shares of EyeWonder Series B preferred stock into EyeWonder common stock.

EYEWONDER PROPOSAL NO. 4

POSSIBLE ADJOURNMENT OF THE EYEWONDER SPECIAL MEETING

In this proposal, EyeWonder is asking its stockholders to authorize the holder of any proxy solicited by EyeWonder s board of directors to vote in favor of granting discretionary authority to the proxy or attorney-in-fact to adjourn or postpone the special meeting to another time and place for the purpose of soliciting additional proxies. If EyeWonder s stockholders approve the adjournment proposal, EyeWonder could adjourn or postpone the special meeting and any adjourned or postponed session of the special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from its stockholders that previously have voted.

If at the special meeting the number of shares of EyeWonder capital stock entitled to vote at the special meeting represented and voting in favor of adoption of the merger agreement is not sufficient to adopt the merger agreement, EyeWonder may postpone or move to adjourn the special meeting in order to enable EyeWonder s board of directors to solicit additional proxies in respect of such proposal. If a motion is made to adjourn the special meeting, EyeWonder will ask its stockholders to vote only upon the adjournment proposal, and not the proposal regarding the adoption of the merger agreement.

Failure of the adjournment proposal to pass will not affect the ability of the holders of a majority of shares of EyeWonder capital stock entitled to vote and present in person or represented by proxy at the special meeting or, in the absence of any such stockholder, at the direction of any officer entitled to preside at, or act as secretary of, such meeting to adjourn the special meeting in the event that a sufficient number of shares of EyeWonder capital stock are not represented at the special meeting to establish a quorum, or for any other lawful purpose.

Accordingly, the EyeWonder board of directors unanimously recommends that EyeWonder stockholders vote FOR the adjournment proposal.

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SECURITY OWNERSHIP BY CERTAIN

BENEFICIAL OWNERS AND MANAGEMENT OF EYEWONDER

The following table provides information relating to the beneficial ownership of EyeWonder s common stock, assuming conversion of all shares of EyeWonder s outstanding convertible preferred stock, as of March 1, 2010, except where otherwise noted, by:

- each stockholder known by EyeWonder to own beneficially more than 5% of EyeWonder s common stock;
- each of EyeWonder s Chief Executive Officer, Chief Financial Officer and its three other most highly compensated executive officers;
- each of EyeWonder s current directors; and
- all of EyeWonder s directors and executive officers as a group.

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has the sole voting power, shared voting power, or investment power and includes any shares that the individual has the right to acquire within 60 days of March 1, 2010 through the exercise of any stock option or other right. The number and percentage of shares beneficially owned is computed on the basis of 17,573,389 shares of EyeWonder s common stock outstanding as of March 1, 2010.

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Shares of EyeWonder s common stock or convertible preferred stock that a person has the right to acquire within 60 days of March 1, 2010 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. To EyeWonder s knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person or entity named in the table has sole voting and dispositive power with respect to the shares set forth opposite such person s or entity s name. The address for those persons for whom an address is not otherwise provided is c/o EyeWonder, Inc., 229 Peachtree Street, NE, International Tower, Suite 1700, Atlanta, Georgia 30303.

Name and Address of Beneficial Owner(1)	Number of Shares	Options and Warrants Exercisable Within 60 Days	Percent Owned
Directors and Executive Officers			
Joseph Apprendi (2)	100,000	0	*
W. Chris Blane (3)	1,153,480	117,134	7.18%
Scott Chappell (4)	0	942,045	5.09%
Thomas Falk (1)(5)	1,643,212	0	9.35%
John J. Vincent	2,310,875	764,671	16.77%
Nicholas J. Vincent (6)	1,874,307	648,296	13.84%
Jerome F. Connell, Jr	332,558	331,883	3.71%
Patrick McClellen	20,000	40,000	*
B. Allen Reese	0	50,000	*
Michael Rosner	200,000	0	1.14%
All Directors and Executive Officers as a Group (10 persons)	7,634,432	2,874,151	51.39%
Beneficial Owners of More than 5% of the Common Stock			
BIA Digital Partners SBIC II LP 15120 Enterprise Court Chantilly, Virginia 20151	0	942,045	5.09%
Eyevest, LLC 505 Beachland Boulevard Suite One, PMB #270 Vero Beach, Florida 32963	1,153,480	0	6.56%
VESTEuropeGmbH (1) Konigsallee 92a 40212 Düsseldorf Germany	1,643,212	0	9.35%
Vincent Family Trust 4610 Via Vistosa Santa Barbara, California 93110	1,874,307	648,296	13.84%

* Indicates ownership of less than 1.00%.

(1) Excludes up to 1,812,077 shares of EyeWonder common stock that may be issued to Tindaro Florio and VEST Europe GmbH in connection with the Exchange Agreement and up to an additional 287,349 shares to other minority interest holders in certain subsidiaries of EyeWonder Europe.

(2) Includes 100,000 shares held by Adapp, Inc., of which Mr. Apprendi is a stockholder.

(3) Includes 1,153,480 shares held by Eyevest, LLC of which Mr. Blane is the Manager, and a warrant to purchase 117,134 shares held by Mr. Blane. Mr. Blane disclaims beneficial ownership of the shares owned by EyeVest, LLC, except to the extent of any pecuniary interest therein.

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(4) Includes 942,045 shares expected to be issued to BIA Digital Partners SBIC II LP, pursuant to a warrant that includes certain adjustment features. Mr. Chappell is a Principal of the Manager of the General Partner of BIA Digital Partners SBIC II LP and disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(5) Includes 1,643,212 shares held by VEST Europe GmbH of which Mr. Falk is a principal. Mr. Falk disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(6) Includes 1,874,307 shares and a warrant to purchase 648,296 shares held by the Vincent Family Trust of which Nicholas J. Vincent is the trustee. Mr. Vincent disclaims beneficial ownership of these shares and warrants.

Each share of EyeWonder common stock issued and outstanding immediately prior to the effective time of the first-step merger will be converted into the right to receive the merger consideration and as a result none of the officers, directors, or 5% stockholders will hold any EyeWonder securities after the first-step merger has been completed.

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ACCOUNTING TREATMENT

The merger will be accounted for by applying the acquisition method, which requires the determination of the acquiror, the acquisition date, the fair value of assets and liabilities of the acquiree and the measurement of goodwill. Accounting Standards Codification Topic 805-10, Business Combinations Overall (ASC 805-10) provides that in identifying the acquiring entity in a combination effected through an exchange of equity interests, all pertinent facts and circumstances must be considered, including the relative voting rights of the shareholders of the constituent companies in the combined entity, the composition of the board of directors and senior management of the combined company, the relative size of each company and the terms of the exchange of equity securities in the business combination, including payment of any premium. Based on Limelight being the entity issuing its equity interests in the merger, and the other terms of the merger, Limelight will be considered to be the acquiror of EyeWonder for accounting purposes. This means that Limelight will allocate the purchase price to the fair value of EyeWonder s assets and liabilities at the acquisition date, with any excess purchase price being recorded as goodwill. Financial statements of Limelight issued after the merger will reflect only the operations of EyeWonder after the merger and will not be restated retroactively to reflect the historical financial position or results of operations of EyeWonder.

All unaudited pro forma combined consolidated condensed financial statements contained in this proxy statement/prospectus were prepared using the purchase method of accounting. The final allocation of the purchase price will be determined after the merger is completed and after completion of an analysis to determine the fair value of EyeWonder s assets and liabilities. Accordingly, the final purchase accounting adjustments may be materially different from the unaudited pro forma adjustments. Any decrease in the fair value of the assets or increase in the fair value of the liabilities of EyeWonder as compared to the unaudited pro forma information included in this proxy statement/prospectus will have the effect of increasing the amount of the purchase price allocable to goodwill.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following discussion summarizes the material U.S. federal income tax consequences of the merger to U.S. holders of EyeWonder common stock who hold their stock as capital assets (generally, for investment).

The summary is based on the Code, the Treasury Regulations issued under the Code, and administrative rulings and court decisions in effect as of the date of this proxy statement/prospectus, all of which are subject to change at any time, possibly with retroactive effect. For purposes of this discussion, the term U.S. holder means a beneficial owner of EyeWonder stock that is:

- an individual who is a citizen or resident of the United States;
- a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions;
- a trust that (i) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or
- an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership (including any entity or arrangement, domestic or foreign, treated as a partnership for U.S. federal income tax purposes) holds EyeWonder common stock, the tax treatment of a partner will generally depend on the status of the partners and the activities of the partnership. If a holder is a partner in a partnership holding EyeWonder common stock, the holder should consult its tax advisors.

This summary is not a complete description of all the tax consequences of the merger and, in particular, may not address U.S. federal income tax considerations applicable to holders of EyeWonder common stock who are subject to special treatment under U.S. federal income tax law (including, for example, non-U.S. holders, certain former citizens or residents of the United States, financial institutions, dealers in securities, insurance companies or tax-exempt entities, holders who acquired EyeWonder common stock pursuant to the exercise of an employee stock option or right or otherwise as compensation, holders exercising dissenters rights or appraisal rights, and holders who hold EyeWonder common stock as part of a hedge, straddle, constructive sale or conversion transaction). This summary does not address the tax consequences of any transaction other than the merger, whether or not such transaction is in connection with the merger. This summary does not address the tax consequences to any person who actually or constructively owns 5% or more of EyeWonder common stock. Also, this summary does not address U.S. federal income tax considerations applicable to holders of options to purchase EyeWonder common stock, or holders of debt instruments convertible into EyeWonder common stock. In addition, no information is provided with respect to the tax consequences of the merger under applicable state, local or non-U.S. laws or under estate, gift, excise or other non-income tax laws.

It is a condition of the consummation of the merger that each of Wilson Sonsini Goodrich & Rosati, Professional Corporation, counsel to Limelight, and Kilpatrick Stockton LLP, counsel to EyeWonder, deliver tax opinions to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The tax opinions are conditioned upon certain assumptions stated in their respective tax opinions and receipt of customary written representations from Limelight and EyeWonder, including representations that continuity of interest test will be satisfied, requiring that the Stock Consideration constitute at least 40% of the total consideration paid or payable to EyeWonder securityholders in the first-step merger.

Neither the tax opinions nor the discussion that follows is binding on the Internal Revenue Service, referred to as the IRS, or the courts. The parties do not intend to request a ruling from the IRS with respect to the merger. Accordingly, there can be no assurance that the IRS will not challenge the discussion below or the conclusions expressed in the tax opinions if they are delivered, or that a court will not sustain such a challenge.

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If the merger so qualifies as a reorganization within the meaning of Section 368(a) of the Code, a U.S. holder of EyeWonder common stock receiving Limelight common stock and cash in exchange for such EyeWonder common stock in the merger generally will recognize gain equal to the lesser of (i) the amount of cash received by the U.S. holder (excluding any cash received in lieu of fractional shares) and (ii) the excess of the amount realized by the U.S. holder over the U.S. holder s tax basis in the EyeWonder common stock (generally the purchase price paid by the U.S. holder to acquire such stock). The amount realized by the U.S. holder will equal the sum of the fair market value of the Limelight common stock and the amount of cash (including any cash received in lieu of fractional shares) received by the U.S. holder. Losses will not be permitted to be recognized by U.S. holders of EyeWonder common stock in the merger, except in connection with the receipt of cash in lieu of fractional shares, as discussed below. Any gain recognized by a U.S. holder of EyeWonder common stock generally will be long-term capital gain if the U.S. holder s holding period of the EyeWonder common stock is more than one year, and short-term capital gain if the U.S. holder s holding period is one year or less, at the time of the first-step merger. Long-term capital gains of individuals are currently eligible for reduced rates of taxation.

The aggregate tax basis of the Limelight common stock received (including fractional shares deemed received and redeemed as described below) will be equal to the aggregate tax basis of the EyeWonder common stock surrendered, reduced by the amount of cash the U.S. holder of EyeWonder common stock received (excluding any cash received in lieu of fractional shares), and increased by the amount of gain that the U.S. holder of EyeWonder common stock recognizes, but excluding any gain or loss from the deemed receipt and redemption of fractional shares described below. The holding period of Limelight common stock received by a U.S. holder of EyeWonder common stock in the merger will include the holding period of the U.S. holder s EyeWonder common stock.

For a U.S. holder who acquired different blocks of EyeWonder common stock at different times and at different prices, realized gain or loss generally must be calculated separately for each identifiable block of shares exchanged in the merger, and a loss realized on the exchange of one block of shares cannot be used to offset a gain recognized on the exchange of another block of shares. If a U.S. holder has differing bases or holding periods in respect of shares of EyeWonder common stock, the U.S. holder should consult its tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of Limelight common stock received in the merger.

Cash received by a U.S. holder of EyeWonder common stock in lieu of fractional shares generally will be treated as if the U.S. holder received the fractional shares in the merger and then received the cash in redemption of the fractional shares. The U.S. holder generally should recognize capital gain or loss equal to the difference between the amount of the cash received in lieu of fractional shares and the portion of the U.S. holder s tax basis allocable to the fractional shares.

Although its exact application is unclear, the installment method should allow a U.S. holder of EyeWonder stock receiving cash payments from escrow after the taxable year of such stockholder in which the merger is consummated to report any gain attributable to such payments to the taxable year(s) in which such escrow payments are received. A portion of the cash payments from escrow received by a U.S. holder will be treated as imputed interest taxable at ordinary income rates.

U.S. holders of shares of EyeWonder common stock receiving Limelight common stock and cash in the merger will be required to retain records pertaining to the merger. U.S. holders who owned at least 5% (by vote or value) of the total outstanding EyeWonder common stock before the first-step merger or whose tax basis in the EyeWonder common stock surrendered pursuant to the first-step merger equals or exceeds $1 million are subject to certain reporting requirements with respect to the merger. U.S. holders are urged to consult with their tax advisors with respect to these and other reporting requirements applicable to the merger.

A U.S. holder of EyeWonder common stock who exercises appraisal rights and receives a cash payment in exchange for such stockholder s EyeWonder stock generally should recognize capital gain or loss equal to the difference between the amount of cash received and such stockholder s tax basis in such stock.

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Backup Withholding

Backup withholding may apply with respect to the consideration received by a holder of EyeWonder common stock in the merger unless the holder is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or provides a correct taxpayer identification number (typically by completing and signing an IRS Form W-9), certifies as to no loss of exemption from backup withholding and that such holder is a U.S. person (including a U.S. resident alien) and otherwise complies with applicable requirements of the backup withholding rules. Further, a holder of EyeWonder common stock who does not provide Limelight (or the exchange agent) with its correct taxpayer identification number may be subject to penalties imposed by the IRS. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder s federal income tax liability, provided that the holder timely furnishes certain required information to the IRS.

The foregoing discussion of U.S. federal income tax consequences is not intended to constitute a complete description of all tax consequences relating to the merger. The tax consequences of the merger to a holder of EyeWonder common stock are complex and will depend upon the facts of a holder s individual situation. Because individual circumstances may differ, holders of EyeWonder common stock are urged to consult with their own tax advisor regarding the applicability of the rules discussed above and the particular tax effects of the merger, including the application of state, local and foreign tax laws, and, in the case of non-U.S. holders, possible eligibility for benefits under applicable income tax treaties.

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma combined consolidated condensed financial statements have been prepared to give effect to the proposed acquisition by Limelight of EyeWonder using the purchase method of accounting with the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined consolidated condensed financial statements. These pro forma statements were prepared as if the merger described above had been completed as of January 1, 2009 for statement of operations purposes and as of December 31, 2009 for balance sheet purposes. The combined company will operate under the Limelight name.

The unaudited pro forma combined consolidated condensed financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations that would have actually been reported had the proposed acquisition and the related financing described above occurred on January 1, 2009 for statement of operations purposes and as of December 31, 2009 for balance sheet purposes, nor is it necessarily indicative of the future financial position or results of operations. The unaudited pro forma combined consolidated condensed financial statements include adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of EyeWonder. The final allocation of the purchase price will be determined after the completion of the acquisition and will be based upon actual net tangible and intangible assets acquired as well as liabilities assumed. The preliminary purchase price allocation for EyeWonder is subject to revision as more detailed analysis is completed and additional information on the fair values of EyeWonder s assets and liabilities becomes available. Any change in the fair value of the net assets of EyeWonder will change the amount of the purchase price allocable to goodwill. Additionally, changes in EyeWonder s working capital, including the results of operations from December 31, 2009 through the date the transaction is completed, will change the amount of goodwill recorded. Furthermore, the final purchase price is dependent on the actual amount of EyeWonder common and preferred stock and vested employee equity awards outstanding on the date of closing as well as the Limelight share price on the date of closing. Final purchase accounting adjustments may differ materially from the pro forma adjustments presented here.

These unaudited pro forma combined consolidated condensed financial statements are based upon the respective historical consolidated financial statements of Limelight and EyeWonder and should be read in conjunction with the historical consolidated financial statements of Limelight and EyeWonder and the related notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations of Limelight and EyeWonder included and/or incorporated by reference in this proxy statement/prospectus.

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Unaudited Pro Forma Combined Consolidated Condensed Balance Sheet as of December 31, 2009

(in thousands)

	Historical		Pro Forma	
	Limelight	EyeWonder (Note 2)	Adjustments (Note 6)	Combined
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 89,509	$ 2,196	$ (62,292) (a)	$ 29,413
Restricted cash		263		263
Marketable securities	64,870			64,870
Accounts receivable, net	26,363	11,948		38,311
Income taxes receivable	617			617
Prepaid expenses and other current assets	9,654	525		10,179
Total current assets	191,013	14,932	(62,292)	143,653
Property and equipment, net	35,524	1,255		36,779
Marketable securities, less current portion	12	985		997
Goodwill	619	389	92,276 (b)	93,284
Other intangible assets, net	370	408	37,598 (c)	38,376
Other assets	8,132	488	(149) (d)	8,471
Total assets	$ 235,670	$ 18,457	$ 67,433	$ 321,560
LIABILITIES AND STOCKHOLDERS EQUITY				
Current Liabilities:				
Accounts payable	$ 5,144	$ 1,300	$	$ 6,444
Capital lease obligations, current portion		115		115
Deferred revenue, current portion	12,199			12,199
Note payable to related party		681	(681) (e)	
Other current liabilities	14,140	2,806	2,280 (f)	19,226
Total current liabilities	31,483	4,902	1,599	37,984
Loan payable, less current portion		10,600	(10,600) (g)	
Capital lease obligations, less current portion		225		225
Deferred revenue, less current portion	1,377			1,377
Deferred tax liability	10		14,382 (h)	14,392
Contingent consideration liability			18,127 (i)	18,127
Total liabilities	32,870	15,727	23,508	72,105
Commitments and contingencies				
Stockholders equity:				
Total stockholders equity	202,800	2,730	43,925 (j)	249,455
Total liabilities and stockholders equity	$ 235,670	$ 18,457	$ 67,433	$ 321,560

The accompanying notes are an integral part of these unaudited pro forma combined consolidated condensed financial statements.

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Unaudited Pro Forma Combined Consolidated Condensed Statement of Operations for the Year Ended December 31, 2009 (in thousands, except per share data)

	Historical		Pro Forma	
	Limelight	**EyeWonder**	**Adjustments**	**Combined**
		(Note 3)	*(Note 6)*	
Revenue	$ 131,663	$ 35,294	$ (534) (k)	$ 166,423
Cost of services:				
Cost of services	61,572	8,040		69,612
Depreciation - network	24,051			24,051
Total cost of revenue	85,623	8,040		93,663
Gross margin	46,040	27,254	(534)	72,760
Operating expenses:				
General and administrative	34,128	7,284		41,412
Sales and marketing	32,587	13,886	(35) (l)	46,438
Research & development	7,937	3,073		11,010
Depreciation and amortization	2,351	807	4,335 (m)	7,493
Provision for litigation	(65,645)			(65,645)
Total operating expenses	11,358	25,050	4,300	40,708
Operating income (loss)	34,682	2,204	(4,834)	