
Section 1: 10-Q (10-Q)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-33508

LIMELIGHT NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-1677033
(I.R.S. Employer
Identification No.)

222 South Mill Avenue, 8th Floor
Tempe, AZ 85281
(Address of principal executive offices, including Zip Code)

(602) 850-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of August 1, 2013: 96,914,116 shares.

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FORM 10-Q
Quarterly Period Ended June 30, 2013
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LIMELIGHT NETWORKS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	(Unaudited) June 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 82,111	\$ 108,915
Marketable securities	36,755	19,040
Accounts receivable, net	24,494	26,602
Income taxes receivable	310	471
Deferred income taxes	67	38
Prepaid expenses and other current assets	10,107	12,308
Total current assets	153,844	167,374
Property and equipment, net	33,990	41,251
Marketable securities, less current portion	8	18
Deferred income tax, less current portion	2,908	2,838
Goodwill	80,493	80,278
Other intangible assets, net	5,007	6,387
Other assets	6,129	6,735
Total assets	<u>\$ 282,379</u>	<u>\$ 304,881</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,229	\$ 6,730
Deferred revenue	6,542	6,892
Capital lease obligations	777	1,301
Income taxes payable	841	519
Other current liabilities	11,455	14,866
Total current liabilities	27,844	30,308
Capital lease obligations, less current portion	501	824
Deferred income tax	376	461
Deferred revenue, less current portion	2,230	797
Other long-term liabilities	4,980	5,261
Total liabilities	35,931	37,651
Commitments and contingencies		
Stockholders' equity:		
Convertible preferred stock, \$0.001 par value; 7,500 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.001 par value; 300,000 shares authorized at June 30, 2013 and December 31, 2012; 96,836 and 98,038 shares issued and outstanding at June 30, 2013 and December 31, 2012, respectively	97	98
Additional paid-in capital	453,083	452,258
Contingent consideration	33	33
Accumulated other comprehensive loss	(2,945)	(709)
Accumulated deficit	(203,820)	(184,450)
Total stockholders' equity	246,448	267,230
Total liabilities and stockholders' equity	<u>\$ 282,379</u>	<u>\$ 304,881</u>

The accompanying notes are an integral part of these consolidated financial statements.

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LIMELIGHT NETWORKS, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Revenues	\$ 42,763	\$ 44,447	\$ 88,576	\$ 88,763
Cost of revenue:				
Cost of services (1)	21,870	20,379	43,923	40,880
Depreciation — network	6,120	7,184	12,800	14,013
Total cost of revenue	27,990	27,563	56,723	54,893
Gross profit	14,773	16,884	31,853	33,870
Operating expenses:				
General and administrative	8,365	8,053	16,438	16,373
Sales and marketing	10,699	11,762	21,183	23,394
Research and development	5,650	4,986	11,391	10,152
Depreciation and amortization	1,442	1,450	2,892	2,848
Total operating expenses	26,156	26,251	51,904	52,767
Operating loss	(11,383)	(9,367)	(20,051)	(18,897)
Other income (expense):				
Interest expense	(21)	(46)	(48)	(96)
Interest income	79	83	149	189
Other, net	143	56	711	(30)
Total other income	201	93	812	63
Loss from continuing operations before income taxes	(11,182)	(9,274)	(19,239)	(18,834)
Income tax provision	51	163	131	300
Loss from continuing operations	(11,233)	(9,437)	(19,370)	(19,134)
Discontinued operations:				
Loss from discontinued operations, net of income taxes	—	(391)	—	(700)
Net loss	\$(11,233)	\$ (9,828)	\$(19,370)	\$ (19,834)
Basic net loss per weighted average share:				
Continuing operations	\$ (0.12)	\$ (0.10)	\$ (0.20)	\$ (0.18)
Discontinued operations	—	—	—	(0.01)
Total	\$ (0.12)	\$ (0.10)	\$ (0.20)	\$ (0.19)
Diluted net loss per weighted average share:				
Continuing operations	\$ (0.12)	\$ (0.10)	\$ (0.20)	\$ (0.18)
Discontinued operations	—	—	—	(0.01)
Total	\$ (0.12)	\$ (0.10)	\$ (0.20)	\$ (0.19)
Shares used in per weighted average share calculations:				
Basic	96,257	102,783	96,538	103,505
Diluted	96,257	102,783	96,538	103,505

- (1) Cost of services excludes amortization related to certain intangibles, including existing technologies, customer relationships, and trade names and trademarks, which are included in depreciation and amortization

The accompanying notes are an integral part of these consolidated financial statements.

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LIMELIGHT NETWORKS, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Net loss	<u>\$ (11,233)</u>	<u>\$ (9,828)</u>	<u>\$ (19,370)</u>	<u>\$ (19,834)</u>
Other comprehensive loss, net of tax:				
Unrealized loss on investments	(36)	(29)	(91)	(44)
Foreign exchange translation	<u>(670)</u>	<u>(1,463)</u>	<u>(2,145)</u>	<u>(1,006)</u>
Other comprehensive loss, net of tax	<u>(706)</u>	<u>(1,492)</u>	<u>(2,236)</u>	<u>(1,050)</u>
Comprehensive loss	<u>\$ (11,939)</u>	<u>\$ (11,320)</u>	<u>\$ (21,606)</u>	<u>\$ (20,884)</u>

The accompanying notes are an integral part of these consolidated financial statements.

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LIMELIGHT NETWORKS, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended	
	June 30,	
	2013	2012
Operating activities		
Net loss	\$ (19,370)	\$ (19,834)
Loss from discontinued operations	—	(700)
Net loss from continuing operations	(19,370)	(19,134)
Adjustments to reconcile net loss from continuing operations to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	15,692	16,861
Share-based compensation	6,577	7,172
Deferred income taxes	(289)	(174)
Foreign currency remeasurement gain	(1,145)	(344)
Accounts receivable charges	533	884
Amortization of premium on marketable securities	280	242
Non cash increase in cost basis investment	—	(528)
Loss on sale of property and equipment	22	13
Changes in operating assets and liabilities:		
Accounts receivable	1,575	(1,022)
Prepaid expenses and other current assets	1,963	1,452
Income taxes receivable	148	(258)
Other assets	567	(2,134)
Accounts payable	850	(22)
Deferred revenue	1,083	265
Other current liabilities	(1,239)	(291)
Income taxes payable	360	(178)
Other long term liabilities	(282)	(458)
Net cash provided by operating activities of continuing operations	<u>7,325</u>	<u>2,346</u>
Investing activities		
Purchases of marketable securities	(45,970)	(24,182)
Maturities of marketable securities	27,895	14,182
Purchases of property and equipment	(7,122)	(10,112)
Proceeds from the sale of discontinued operations	119	6,850
Net cash used in investing activities of continuing operations	<u>(25,078)</u>	<u>(13,262)</u>
Financing activities		
Payments on capital lease obligations	(846)	(881)
Payment of employee tax withholdings related to restricted stock	(2,129)	(518)
Cash paid for purchase of common stock	(5,512)	(13,102)
Proceeds from exercise of stock options	2	125
Net cash used in financing activities of continuing operations	<u>(8,485)</u>	<u>(14,376)</u>
Effect of exchange rate changes on cash and cash equivalents	(566)	(28)
Net decrease in cash and cash equivalents	(26,804)	(25,320)
Cash and cash equivalents, beginning of period	108,915	120,349
Cash and cash equivalents, end of period	<u>\$ 82,111</u>	<u>\$ 95,029</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	<u>\$ 48</u>	<u>\$ 96</u>
Cash paid during the period for income taxes, net of refunds	<u>\$ (88)</u>	<u>\$ 957</u>
Property and equipment remaining in accounts payable and other current liabilities	<u>\$ 1,460</u>	<u>\$ 2,159</u>
Contingent consideration common stock issued in connection with acquisition of businesses	<u>\$ —</u>	<u>\$ 109</u>

The accompanying notes are an integral part of these consolidated financial statements.

LIMELIGHT NETWORKS, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business

Limelight Networks, Inc. (the Company) operates a globally distributed, high-performance computing platform (its global computing platform) and provides a suite of integrated services including content delivery, web and video content management, mobility, web application acceleration, cloud storage, and related consulting services that enable companies and other organizations to create, manage, and deliver a global digital presence.

The integrated suite of services that the Company offers collectively comprises its Limelight Orchestrate Platform (the Orchestrate Platform). The Company provides the Orchestrate Platform as Software-as-a-Service (SaaS) and Infrastructure-as-a-Service (IaaS), which other than content delivery, transit and rack space services, are referred to collectively as Value Added Services (VAS). The Company offers VAS both collectively as the end-to-end Orchestrate Platform and individually for customers that may not be inclined or able to adopt the entire platform.

The Orchestrate Platform and services help the Company's customers optimize and streamline their online digital presence across web, mobile, social, and large screen channels. The Orchestrate Platform and services provide advanced features which include website content management, personalization and targeting, video publishing, mobile enablement, content delivery, transcoding, and cloud storage, combined with social media integration and reporting analytics. These services are provided through the cloud and leverage the Company's global computing platform, which provides highly available, highly redundant storage, bandwidth, and computing resources, as well as connectivity to last-mile broadband network providers. The Company's professional consulting services team helps organizations assess their digital presence requirements and improve their digital presence activities.

The Company derives revenue primarily from the sale of components of the Orchestrate Platform. The Company also generates revenue through the sale of professional services and other infrastructure services, such as transit and rack space services. The Company also maintains relationships with a number of resellers that purchase its services for resale to their end customers.

The Company provides its services to customers that it believes view Internet, mobile, and social initiatives as critical to their success, including traditional and emerging media companies operating in the television, music, radio, newspaper, magazine, movie, videogame, software, and social media industries, as well as to enterprises, technology companies, and government entities conducting business online. The Company's offerings enable organizations to reduce the complexity of creating, managing, delivering, and optimizing their digital presence by streamlining processes and optimizing business results across all customer interaction channels, which helps them to deliver a high quality online media experience, improve brand awareness, drive revenue, and enhance their customer relationships.

The Company has operated in the Phoenix metropolitan area since 2001 and elsewhere throughout the United States since 2003. The Company began international operations in 2004.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. They do not include all of the information and footnotes required by U.S. generally accepted accounting principles (U.S. GAAP) for complete financial statements. Such interim financial information is unaudited but reflects all adjustments that, in the opinion of management, are necessary for the fair presentation of the interim periods presented. All such adjustments are, in the opinion of management, of a normal recurring nature. The results of operations presented in this Quarterly Report on Form 10-Q are not necessarily indicative of the results that may be expected for the year ending December 31, 2013 or for any future periods. This Quarterly Report on Form 10-Q should be read in conjunction with the Company's audited financial statements and footnotes included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

The consolidated financial statements include accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated. Certain reclassifications have been made to prior year amounts to conform to the current year presentation. The Company has revised the statement of cash flow presentation for certain remeasurement gains and losses from the "Effect of exchange rate changes on cash and cash equivalents" line item to the "Foreign currency remeasurement gain" line item included in "Net cash provided by operating activities of continuing operations." The amount of this revision for the six months ended June 30, 2012 was approximately \$344,000.

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On September 1, 2011, the Company completed the sale of its EyeWonder LLC and subsidiaries and chors GmbH video and rich media advertising services (EyeWonder and chors) to DG FastChannel, Inc. (now Digital Generation, Inc.) (DG). The sale of EyeWonder and chors met the criteria for discontinued operations during the year ended December 31, 2011. Accordingly, the results of operations related to EyeWonder and chors have been classified as discontinued operations in all periods presented. See further discussion at Note 4.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results and outcomes may differ from those estimates.

Recent Accounting Standards

Recently Adopted Accounting Standard

In February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2013-02, which requires additional disclosures regarding the reporting of reclassifications out of accumulated other comprehensive income (loss). ASU 2013-02 requires an entity to present, either on the face of the statement where net income (loss) is presented, or in the notes, significant amounts reclassified out of accumulated other comprehensive income (loss) by the respective line items of net income (loss), but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income (loss) in its entirety in the same reporting period. This guidance is effective for reporting periods beginning after December 15, 2012. The Company adopted this guidance effective January 1, 2013, and has included the additional disclosures in Note 15.

Recently Issued Accounting Pronouncements

In March 2013, the FASB issued ASU 2013-05, which permits an entity to release cumulative translation adjustments into net income when a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary or group of assets that is a business within a foreign entity. Accordingly, the cumulative translation adjustment should be released into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided, or, if a controlling financial interest is no longer held. The revised standard is effective for the Company for fiscal years beginning after December 15, 2013; however, early adoption is permitted. The Company does not expect adoption of this ASU to significantly impact its consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (Topic 740). ASU 2013-11 requires that unrecognized tax benefits be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except in certain circumstances. When those circumstances exist, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This ASU is effective prospectively for reporting periods beginning after December 15, 2013. Early adoption is permitted. The Company is currently evaluating the impact this ASU will have on its financial statement presentation.

3. Investments in Marketable Securities

The following is a summary of marketable securities (designated as available-for-sale) at June 30, 2013 (in thousands):

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Government agency bonds	\$ 1,896	\$ 1	\$ —	\$ 1,897
Certificate of deposit	5,584	1	4	5,581
Commercial paper	4,999	—	1	4,998
Corporate notes and bonds	24,350	—	71	24,279
	<u>36,829</u>	<u>2</u>	<u>76</u>	<u>36,755</u>
Publicly traded common stock	12	—	4	8
Total marketable securities	<u>\$ 36,841</u>	<u>\$ 2</u>	<u>\$ 80</u>	<u>\$ 36,763</u>

At June 30, 2013, the Company evaluated its marketable securities and noted unrealized losses were due to fluctuations in interest rates. Management does not believe any of the unrealized losses represented an other-than-temporary impairment based on its evaluation of available evidence as of June 30, 2013. The Company's intent is to hold these investments to such time as these assets are no longer impaired.

Expected maturities can differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties, and the Company views its available-for-sale securities as available for current operations.

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The amortized cost and estimated fair value of marketable securities at June 30, 2013, by maturity, are shown below (in thousands):

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Available-for-sale debt securities				
Due in one year or less	\$ 22,820	\$ 2	\$ 14	\$ 22,808
Due after one year and through five years	14,009	—	62	13,947
	<u>\$ 36,829</u>	<u>\$ 2</u>	<u>\$ 76</u>	<u>\$ 36,755</u>

The following is a summary of marketable securities (designated as available-for-sale) at December 31, 2012 (in thousands):

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Government agency bonds	\$ 6,266	\$ 4	\$ —	\$ 6,270
Certificate of deposit	2,741	—	—	2,741
Commercial paper	500	—	—	500
Corporate notes and bonds	9,527	3	1	9,529
	19,034	7	1	19,040
Publicly traded common stock	12	6	—	18
Total marketable securities	<u>\$ 19,046</u>	<u>\$ 13</u>	<u>\$ 1</u>	<u>\$ 19,058</u>

The amortized cost and estimated fair value of marketable securities at December 31, 2012, by maturity, are shown below (in thousands):

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Available-for-sale securities				
Due in one year or less	\$ 18,260	\$ 6	\$ 1	\$ 18,265
Due after one year and through five years	774	1	—	775
	<u>\$ 19,034</u>	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ 19,040</u>

4. Discontinued Operations

On September 1, 2011, the Company completed the sale of its EyeWonder and chors rich media advertising services to DG for net proceeds of \$61.0 million (\$66.0 million gross cash proceeds less \$5.0 million held in escrow), plus an estimated \$10.9 million receivable from DG pursuant to the purchase agreement dated as of August 30, 2011 by and among the Company, DG, and Limelight Networks Germany GmbH.

The \$10.9 million receivable from DG was determined by the Company based on estimated future cash payments equal to the excess of certain current assets over certain current liabilities of EyeWonder and chors as of August 30, 2011, as defined in the purchase agreement (the Net Working Capital). The Company estimated the Net Working Capital based on its determination of the current assets and current liabilities in accordance with the relevant provisions of the purchase agreement.

Under the terms of the purchase agreement, \$0.7 million excess of cash and cash equivalents and other current assets over current liabilities was immediately payable to the Company with the remaining Net Working Capital payable as the accounts receivable of \$9.6 million and income tax receivable of \$0.5 million were collected.

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The following is a summary of activity related to the receivable from DG for the year ended December 31, 2012 and the six months ended June 30, 2013 (in thousands):

Balance, December 31, 2011	\$10,854
Payments received from DG	(7,440)
Allowance for doubtful accounts receivable and other receivables adjustments	(2,060)
Net Working Capital adjustments	(818)
Balance, December 31, 2012	\$ 536
Payments received from DG	(119)
Balance, June 30, 2013	<u>\$ 417</u>

As of June 30, 2013, the Company assessed the collectability of the remaining accounts receivable balance and believes such amount is collectible. The Company expects to continue to pursue collections on all previously reserved amounts and will record any recoveries as an adjustment to income (loss) from discontinued operations.

The sale of EyeWonder and chors meets the criteria to be reported as discontinued operations. Accordingly, the operating results of EyeWonder and chors have been reclassified to discontinued operations in the accompanying condensed consolidated statements of operations. The Company includes only revenues and costs directly attributable to the discontinued operations, in determining income (loss) from discontinued operations, and not those attributable to the ongoing entity. Accordingly, no general corporate overhead costs have been allocated to discontinued operations.

There were no operating results of discontinued operations for the three and six months ended June 30, 2013.

Operating results of discontinued operations for the three and six months ended June 30, 2012, respectively, are as follows (in thousands):

	<u>Three Months Ended</u> <u>June 30,</u> <u>2012</u>	<u>Six Months Ended</u> <u>June 30,</u> <u>2012</u>
General and administrative expenses	\$ 17	\$ 163
Loss on sale of discontinued operations, net of income taxes	(408)	(863)
Loss before income taxes	(391)	(700)
Income tax benefit (expense)	—	—
Loss from discontinued operations	<u>\$ (391)</u>	<u>\$ (700)</u>
Loss from discontinued operations per weighted average share:		
Basic and diluted	<u>\$ —</u>	<u>\$ (0.01)</u>
Shares used in per weighted average share calculation for discontinued operations:		
Basic and diluted	<u>102,783</u>	<u>103,505</u>

5. Accounts Receivable, net

Accounts receivable, net include (in thousands):

	<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Accounts receivable	\$20,521	\$ 23,675
Unbilled accounts receivable	6,405	6,997
	26,926	30,672
Less: credit allowance	(670)	(640)
Less: allowance for bad debt	(1,762)	(3,430)
Total accounts receivable, net	<u>\$24,494</u>	<u>\$ 26,602</u>

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6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets include (in thousands):

	June 30, 2013	December 31, 2012
Prepaid bandwidth and backbone services	\$ 2,393	\$ 3,614
Gaikai sale escrow receivable	1,237	1,237
Non-income taxes receivable (VAT)	1,209	1,739
Receivable from DG (see note 4)	417	536
Employee advances and prepaid recoverable commissions	387	551
Vendor deposits and other	4,464	4,631
Total prepaid expenses and other current assets	<u>\$10,107</u>	<u>\$ 12,308</u>

In May 2010, the Company made a strategic investment in Gaikai Inc., a private cloud-based gaming technology company (Gaikai). In August 2012, Sony Computer Entertainment Inc. acquired Gaikai and the Company recorded a gain on sale of its cost basis investment in Gaikai of \$9.4 million. The carrying value of the Gaikai cost basis investment as of the sale date was approximately \$2.0 million. The aggregate selling price was \$11.4 million consisting of \$10.2 million of cash received and \$1.2 million held in escrow for a period of up to 15 months to cover any potential indemnification claims. As of June 30, 2013, the Company was not aware of any potential indemnification claims that are expected to reduce the amount received from escrow, and recorded a current receivable of approximately \$1.2 million, which is included in prepaid expenses and other current assets in the accompanying consolidated balance sheets as of June 30, 2013 and December 31, 2012.

7. Goodwill and Other Intangible Assets

The Company tests goodwill for impairment on an annual basis or more frequently if events or changes in circumstances indicate that goodwill might be impaired. The Company has concluded that it has one reporting unit and has assigned the entire balance of goodwill to that reporting unit. The fair value of the reporting unit is determined using the Company's market capitalization as of its annual impairment assessment date or each reporting date if circumstances indicate the goodwill might be impaired. Items that could reasonably be expected to negatively affect key assumptions used in estimating fair value include but are not limited to:

- Sustained decline in the Company's stock price due to a decline in its financial performance due to the loss of key customers, loss of key personnel, emergence of new technologies or new competitors;
- Decline in overall market or economic conditions leading to a decline in its stock price; and
- Decline in observed control premiums paid in business combinations involving comparable companies.

The estimated fair value of the reporting unit is determined using a market approach utilizing the Company's market capitalization as adjusted for a control premium based on the estimated average and median control premiums of transactions involving companies comparable to the Company. As of the annual impairment testing date and at December 31, 2012, the Company determined that goodwill was not impaired. The Company also performed a similar analysis at June 30, 2013 and noted that the estimated fair value of its reporting unit exceeded carrying value by approximately \$58 million or 24% using the market capitalization on June 30, 2013, plus an estimated control premium of 40%. Based on this analysis, management believes goodwill is not impaired at June 30, 2013; however, adverse changes to certain key assumptions as described above could result in a future charge to earnings.

There can be no assurance that future goodwill impairment tests will not result in a charge to earnings.

Foreign currency translation adjustments increased the carrying amount of goodwill for the three and six months ended June 30, 2013 by \$35,000 and \$215,000, respectively.

Other intangible assets that are subject to amortization consist of the following (in thousands):

	June 30, 2013		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Existing technologies	\$ 8,548	\$ (5,107)	\$ 3,441
Customer relationships	3,412	(1,846)	1,566
Total other intangible assets	<u>\$11,960</u>	<u>\$ (6,953)</u>	<u>\$ 5,007</u>

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	December 31, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Existing technologies	\$ 8,436	\$ (4,035)	\$ 4,401
Customer relationships	3,412	(1,427)	1,985
Trade names and trademark	160	(159)	1
Total other intangible assets	<u>\$12,008</u>	<u>\$ (5,621)</u>	<u>\$ 6,387</u>

Aggregate expense related to amortization of other intangible assets included in continuing operations for the three months ended June 30, 2013 and 2012 was approximately \$0.7 million and \$0.7 million, respectively. For the six months ended June 30, 2013 and 2012 aggregate expense related to the amortization of other intangible assets was approximately \$1.5 million and \$1.4 million, respectively. Based on the Company's other intangible assets as of June 30, 2013, aggregate expense related to amortization of other intangible assets is expected to be \$1.4 million for the remainder of 2013, and \$2.2 million, \$1.1 million and \$0.3 million for fiscal years 2014, 2015 and 2016, respectively.

8. Property and Equipment, net

Property and equipment, net include (in thousands):

	June 30, 2013	December 31, 2012
Network equipment	\$ 173,506	\$ 168,637
Computer equipment	10,629	10,398
Furniture and fixtures	2,616	2,595
Leasehold improvements	6,733	6,684
Other equipment	556	534
	194,040	188,848
Less: accumulated depreciation	<u>(160,050)</u>	<u>(147,597)</u>
Total property and equipment, net	<u>\$ 33,990</u>	<u>\$ 41,251</u>

9. Other Assets

Other assets include (in thousands):

	June 30, 2013	December 31, 2012
Prepaid bandwidth and backbone services	\$ 5,046	\$ 5,799
Vendor deposits and other	634	729
Deferred expenses	449	207
Total other assets	<u>\$ 6,129</u>	<u>\$ 6,735</u>

The Company enters into multi-year arrangements with a telecommunications providers for bandwidth and backbone capacity. The agreements sometimes require the Company to make advanced payments for future services to be received.

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10. Other Current Liabilities

Other current liabilities consist of the following (in thousands):

	June 30, 2013	December 31, 2012
Accrued compensation and benefits	\$ 4,379	\$ 6,703
Accrued cost of revenue	1,864	2,307
Accrued legal fees	1,437	1,591
Indirect taxes payable	616	1,029
Customer deposits	569	361
Other accrued expenses	2,590	2,875
Total other current liabilities	<u>\$11,455</u>	<u>\$ 14,866</u>

11. Other Long-Term Liabilities

Other long-term liabilities consist of the following (in thousands):

	June 30, 2013	December 31, 2012
Deferred rent	\$ 3,262	\$ 3,543
Income taxes payable	1,718	1,718
Total other long-term liabilities	<u>\$ 4,980</u>	<u>\$ 5,261</u>

12. Contingencies

Akamai Litigation

In June 2006, Akamai Technologies, Inc. (Akamai), and the Massachusetts Institute of Technology (MIT), filed a lawsuit against the Company in the United States District Court for the District of Massachusetts alleging that the Company was infringing two patents assigned to MIT and exclusively licensed by MIT to Akamai, United States Patent No. 6,553,413 (the '413 patent) and United States Patent No. 6,108,703 (the '703 patent). In September 2006, Akamai and MIT expanded their claims to assert infringement of a third, recently issued patent United States Patent No. 7,103,645 (the '645 patent). Before trial, Akamai waived by stipulation its claims of indirect or induced infringement and proceeded to trial only on the theory of direct infringement. In February 2008, a jury returned a verdict in this lawsuit, finding that the Company infringed four claims of the '703 patent at issue and rejecting the Company's invalidity defenses. The jury awarded an aggregate of approximately \$45.5 million which includes lost profits, reasonable royalties and price erosion damages for the period April 2005 through December 31, 2007. In addition, the jury awarded prejudgment interest which the Company estimated to be \$2.6 million at December 31, 2007. The Company recorded an aggregate \$48.1 million as a provision for litigation as of December 31, 2007. During 2008, the Company recorded a potential additional provision of approximately \$17.5 million for potential additional infringement damages and interest. The total provision for litigation at December 31, 2008 was \$65.6 million.

On July 1, 2008, the court denied the Company's Motions for Judgment as a Matter of Law (JMOL), Obviousness, and a New Trial. The court also denied Akamai's Motion for Permanent Injunction as premature and its Motions for Summary Judgment regarding the Company's equitable defenses. The court conducted a bench trial in November 2008 regarding the Company's equitable defenses. The Company also filed a motion for reconsideration of the court's earlier denial of the Company's motion for JMOL. The Company'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.*, released after the court denied the Company'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 the Company did not infringe Akamai's '703 patent and that the Company was entitled to JMOL. Based upon the court's April 24, 2009 order, the Company reversed the \$65.6 million provision for litigation previously recorded for this lawsuit as the Company no longer believed that payment of any amounts represented by the litigation provision was probable. The court entered final judgment in favor of the Company on May 22, 2009, and Akamai filed its notice of appeal of the court's decision on May 26, 2009. On December 20, 2010, the Court of Appeals for the Federal Circuit issued its opinion affirming the trial court's entry of judgment in the Company's favor. On February 18, 2011, Akamai filed a motion with the Court of Appeals for the Federal Circuit seeking a rehearing and rehearing *en banc*. On April 21, 2011, the Court of Appeals for the Federal Circuit issued an order denying the petition for rehearing, granting the petition for rehearing *en banc*, vacating the December 20, 2010 opinion affirming the trial court's entry of judgment in the Company's favor, and reinstated the appeal.

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On August 31, 2012, the Court of Appeals for the Federal Circuit issued its opinion in the case. The Court of Appeals stated that the trial court correctly determined that the Company did not directly infringe Akamai's '703 patent and upheld the trial court's decision to vacate the original jury's damages award. The Court of Appeals also held that the Company did not infringe Akamai's '413 or '645 patents. A slim majority in this three-way divided opinion also announced a revised legal theory of induced infringement, remanded the case to the trial court, and gave Akamai an opportunity for a new trial to attempt to prove that the Company induced its customers to infringe Akamai's patent under the Court of Appeals' new legal standard. On December 28, 2012, the Company filed a petition for writ of certiorari to the United States Supreme Court to appeal this sharply divided Court of Appeals decision and sought to stay any proceedings at the trial court until the Supreme Court rules on that petition. Akamai then filed a cross petition for consideration of the Court of Appeals standard for direct infringement followed by an opposition to the Company's petition. On June 24, 2013, the Supreme Court asked the Solicitor General to weigh in on the Company's petition. The Company believes that the Court of Appeal's new induced infringement standard runs counter to the Patent Act and Supreme Court precedent, and it should be overturned by the Supreme Court. Additionally, just as the Company has successfully shown that it does not directly infringe Akamai's patent, the Company firmly believes that it will ultimately be successful in showing that it does not infringe Akamai's patent under the Court of Appeals majority's new induced infringement theory, and does not believe a loss is probable; therefore, no provision for this lawsuit is recorded in the consolidated financial statements.

In light of the status of the litigation, the Company believes that there is a reasonable possibility that it has incurred a loss related to the Akamai litigation. While the Company believes that there is a reasonable possibility that a loss has been incurred, the Company is not able to estimate a range of the loss due to the complexity and procedural status of the case. The Company will continue to vigorously defend against the allegation.

Legal and other expenses associated with this case have been significant. The Company includes these litigation expenses in general and administrative expenses as incurred, as reported in its consolidated statement of operations.

Other Litigation

The Company is subject to various other legal proceedings and claims, either asserted or unasserted, arising in the ordinary course of business. While the outcome of these claims cannot be predicted with certainty, management does not believe the outcome of any of these matters will have a material adverse effect on the Company's business, financial position, results of operations, or cash flows. Litigation relating to the content delivery services industry is not uncommon, and the Company is, and from time to time has been, subject to such litigation. No assurances can be given with respect to the extent or outcome of any such litigation in the future.

Other Matters

The Company is subject to indirect taxation in various states and foreign jurisdictions. 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 the Company conducting business online or providing Internet-related services. Increased regulation could negatively affect the Company's business directly, as well as the businesses of its customers, which could reduce their demand for the Company's services. For example, tax authorities in various states and abroad may impose taxes on the Internet-related revenue the Company generates based on regulations currently being applied to similar but not directly comparable industries.

There are many transactions and calculations where the ultimate tax determination is uncertain. In addition, domestic and international taxation laws are subject to change. In the future, the Company may come under audit, which could result in changes to its tax estimates. The Company believes it maintains adequate tax reserves to offset potential liabilities that may arise upon audit. Although the Company believes its tax estimates and associated reserves are reasonable, the final determination of tax audits and any related litigation could be materially different than the amounts established for tax contingencies. To the extent these estimates ultimately prove to be inaccurate, the associated reserves would be adjusted, resulting in the recording of a benefit or expense in the period in which a change in estimate or a final determination is made.

13. Net Loss per Share

The Company calculates basic and diluted earnings per weighted average share based on net income (loss). The Company uses the weighted-average number of common shares outstanding during the period for the computation of basic earnings per share. Diluted earnings per share include the dilutive effect of convertible stock options and restricted stock units in the weighted-average number of common shares outstanding. Net income (loss) from continuing operations is utilized in determining whether potential common shares are dilutive or antidilutive for purposes of computing diluted net income (loss) per share.

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The following table sets forth the components used in the computation of basic and diluted net loss per share for the periods indicated (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net loss from continuing operations	\$(11,233)	\$ (9,437)	\$(19,370)	\$ (19,134)
Net loss from discontinued operations	—	(391)	—	(700)
Net loss attributable to common stockholders	\$(11,233)	\$ (9,828)	\$(19,370)	\$ (19,834)
Basic weighted average common shares	96,257	102,783	96,538	103,505
Basic weighted average common shares	96,257	102,783	96,538	103,505
Dilutive effect of stock options and restricted stock units	—	—	—	—
Diluted weighted average common shares	96,257	102,783	96,538	103,505
Basic and diluted loss per share:				
Continuing operations	\$ (0.12)	\$ (0.10)	\$ (0.20)	\$ (0.18)
Discontinued operations	—	—	—	(0.01)
Basic and diluted net loss per share	\$ (0.12)	\$ (0.10)	\$ (0.20)	\$ (0.19)

For the three months ended June 30, 2013 and 2012, outstanding options and restricted stock units of approximately 1.3 million and 2.0 million, respectively, were excluded from the computation of diluted net loss per common share because including them would have been anti-dilutive.

For the six months ended June 30, 2013 and 2012, outstanding options and restricted stock units of approximately 1.3 million and 2.2 million, respectively, were excluded from the computation of diluted net loss per common share because including them would have been anti-dilutive.

14. Stockholders' Equity

Common Stock

On October 29, 2012, the Company's board of directors authorized and approved a third common stock repurchase plan that authorized the Company to repurchase up to \$10 million of its shares of common stock, exclusive of any commissions, markups or expenses, from time to time through May 9, 2013. During the three months ended March 31, 2013, the Company purchased and cancelled approximately 2.3 million shares under the third repurchase plan for approximately \$5.5 million, including commissions. Any repurchased shares were cancelled and returned to authorized but unissued status. The Company completed the third repurchase plan during the first quarter of 2013.

On June 6, 2013, the Company's stockholders approved the Company's 2013 Employee Stock Purchase Plan (ESPP). The ESPP allows participants to purchase the Company's common stock at a 15% discount of the lower of the beginning or end of the offering period using the closing price on that day. There was no ESPP activity during the three months ended June 30, 2013.

15. Accumulated Other Comprehensive Loss

Changes in the components of accumulated other comprehensive loss, net of tax, for the three and six months ended June 30, 2013 was as follows (in thousands):

	Foreign Currency	Unrealized Gains (Losses) on Available for Sale Securities		Total
Balance, March 31, 2013	\$ (2,222)	\$ (17)		\$(2,239)
Other comprehensive loss before reclassifications	(670)	(36)		(706)
Amounts reclassified from accumulated other comprehensive loss	—	—		—
Net current period other comprehensive loss	(670)	(36)		(706)
Balance, June 30, 2013	\$ (2,892)	\$ (53)		\$(2,945)

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	Foreign Currency	Unrealized Gains (Losses) on Available for Sale Securities	Total
Balance, December 31, 2012	\$ (747)	\$ 38	\$ (709)
Other comprehensive loss before reclassifications	(2,145)	(91)	(2,236)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive loss	(2,145)	(91)	(2,236)
Balance, June 30, 2013	<u>\$ (2,892)</u>	<u>\$ (53)</u>	<u>\$ (2,945)</u>

16. Share-Based Compensation

The following table summarizes the components of share-based compensation expense included in the Company's consolidated statements of operations for the three and six months ended June 30, 2013 and 2012 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Share-based compensation expense by type of award:				
Stock options	\$ 1,714	\$ 1,833	\$ 3,601	\$ 3,774
Restricted stock awards and units	1,513	1,388	2,976	3,398
Total share-based compensation expense	<u>\$ 3,227</u>	<u>\$ 3,221</u>	<u>\$ 6,577</u>	<u>\$ 7,172</u>
Effect of share-based compensation expense on statement of operations by categories:				
Cost of services	\$ 513	\$ 485	\$ 1,018	\$ 991
General and administrative expense	1,605	1,290	3,226	3,067
Sales and marketing expense	595	829	1,258	1,666
Research and development expense	514	617	1,075	1,448
Total cost related to share-based compensation expense	<u>\$ 3,227</u>	<u>\$ 3,221</u>	<u>\$ 6,577</u>	<u>\$ 7,172</u>

Unrecognized share-based compensation expense totaled \$22.9 million at June 30, 2013, of which approximately \$11.1 million related to stock options and approximately \$11.8 million related to restricted stock awards. The Company currently expects to recognize share-based compensation expense of approximately \$5.8 million during the remainder of 2013, \$9.2 million in 2014 and the remainder thereafter based upon the scheduled vesting of the stock options and restricted stock units outstanding at June 30, 2013.

17. Related Party Transactions

The Company sells services to entities owned, in whole or in part, by certain of the Company's executive staff and board of directors. Revenue derived from related parties was less than 1% of total revenue for the three and six months ended June 30, 2013 and approximately 1% for the three and six months ended June 30, 2012.

Total outstanding accounts receivable from all related parties as of June 30, 2013 and December 31, 2012 was approximately \$8,000 and \$1.3 million, respectively. As of June 30, 2013, the Company had no allowance for doubtful account receivable for outstanding related party accounts receivable. As of December 31, 2012, the Company had an allowance for doubtful accounts receivable of approximately \$0.8 million, for outstanding related party accounts receivable. During the three months ended June 30, 2013, the Company wrote-off approximately \$1.3 million in fully reserved related party accounts receivable.

During 2012, the Company leased office space to an entity in which current members of its board of directors have an ownership interest. During the three and six months ended June 30, 2012, the Company invoiced this entity approximately \$0 and \$15,640, respectively, for office space rental.

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18. Leases and Commitments

Operating Leases

The Company is committed to various non-cancelable operating leases for office space and office equipment which expire through 2019. Certain leases contain provisions for renewal options and rent escalations upon expiration of the initial lease terms. Approximate future minimum lease payments over the remaining lease periods as of June 30, 2013 are as follows (in thousands):

2013	\$ 1,941
2014	3,546
2015	2,748
2016	2,112
2017 and thereafter	4,033
Total minimum payments	<u>\$14,380</u>

Purchase Commitments

The Company has long-term commitments for bandwidth usage, co-location with various networks and Internet service providers, or ISPs, and for other purchase obligations. The following summarizes minimum commitments as of June 30, 2013 (in thousands):

2013	\$20,232
2014	25,829
2015	16,478
2016	4,066
2017 and thereafter	436
Total minimum payments	<u>\$67,041</u>

Capital Leases

The Company leases equipment under capital lease agreements which extend through 2017. As of June 30, 2013 and December 31, 2012, the outstanding balance for capital leases was approximately \$1.3 million and \$2.1 million, respectively. The Company has recorded assets under capital lease obligations of approximately \$5.0 million at June 30, 2013 and approximately \$5.1 million at December 31, 2012. Related accumulated amortization totaled approximately \$3.6 million at June 30, 2013 and \$2.9 million at December 31, 2012. The assets acquired under capital leases and the related accumulated amortization is included in property and equipment, net in the consolidated balance sheets. The related amortization is included in depreciation and amortization expense in the consolidated statements of operations. Interest expense related to capital leases was approximately \$21,000 and \$46,000, respectively, for the three months ended June 30, 2013 and 2012. For the six months ended June 30, 2013 and 2012, interest expense related to capital leases was approximately \$48,000 and \$97,000, respectively.

Future minimum capital lease payments at June 30, 2013 are as follows (in thousands):

2013	\$ 483
2014	498
2015	238
2016	133
2017 and thereafter	5
Total	1,357
Amounts representing interest	(79)
Present value of minimum lease payments	<u>\$1,278</u>

19. Income taxes

Income taxes for the interim periods presented have been included in the accompanying condensed consolidated financial statements on the basis of an estimated annual effective tax rate. Based on an estimated annual effective tax rate and discrete items, the income tax expense from continuing operations for the three and six months ended June 30, 2013 was approximately \$0.1 million and \$0.1 million, respectively. Income tax expense on the loss from continuing operations before taxes was different than the statutory income tax rate primarily due to the Company providing for a valuation allowance on deferred tax assets in certain jurisdictions, and the recording of state and foreign tax expense for the three and six month periods.

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The Company files income tax returns in jurisdictions with varying statutes of limitations. Tax years 2009 through 2012 generally remain subject to examination by federal and most state tax authorities. As of June 30, 2013, the Company is not under U.S. federal examination but is under examination by certain foreign and state jurisdictions for various tax years. The Company believes that its income tax filing positions and deductions related to tax periods subject to examination will be sustained upon audit and does not anticipate any adjustments that will result in a material adverse effect on the Company's financial condition, results of operations or cash flow.

20. Concentrations

For the three and six months ended June 30, 2013, Netflix, Inc. (NetFlix) represented approximately 13% of the Company's total revenue. For the three and six months ended June 30, 2012, Netflix represented approximately 11% of the Company's total revenue.

Revenue from sources outside America totaled approximately \$13.9 million and \$13.7 million, respectively, for the three months ended June 30, 2013 and 2012. For the six months ended June 30, 2013 and 2012, revenue from sources outside of America totaled approximately \$27.7 million and \$27.2 million, respectively.

During the three and six months ended June 30, 2013, only the United States accounted for 10% or more of the Company's total revenues. During the three and six months ended June 30, 2012, the Company had two countries, Japan and the United States, that accounted for 10% or more of the Company's total revenues.

21. Segment Reporting

The Company operates in one industry segment — content delivery and related services. The Company operates in three geographic areas — Americas, Europe, Middle East and Africa (EMEA) and Asia Pacific.

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is its Chief Executive Officer. The Company's Chief Executive Officer reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. The Company has one business activity and there are no segment managers who are held accountable for operations, operating results and plans for products or components below the consolidated unit level. Accordingly, the Company reports as a single operating segment.

Revenue by geography is based on the location of the customer from which the revenue is earned. The following table sets forth revenue and long-lived assets by geographic area (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Americas	\$28,822	\$30,746	\$60,877	\$61,599
EMEA	8,286	7,868	16,608	15,946
Asia Pacific	5,655	5,833	11,091	11,218
Total revenue	<u>\$42,763</u>	<u>\$44,447</u>	<u>\$88,576</u>	<u>\$88,763</u>

During the three months ended June 30, 2013, we made reclassifications to certain customers within our geographic regions. This was primarily the result of customers relocating from one geographic region to another geographic region. For the three months ended June 30, 2013, customers are reported in their new geographic region. The impact of the customer reclassifications were as follows. For the three months ended June 30, 2012, Americas increased \$274, EMEA increased \$1,127, and Asia Pacific decreased \$1,401. For the six months ended June 30, 2013, Americas increased \$607, EMEA increased \$1,267, and Asia Pacific decreased \$1,874. For the six months ended June 30, 2012, Americas increased \$590, EMEA increased \$2,391, and Asia Pacific decreased \$2,981.

The following table sets forth long-lived assets by geographic area (in thousands):

	June 30,	December 31,
	2013	2012
Americas long-lived assets	\$31,062	\$ 36,513
International long-lived assets	7,935	11,125
Total long-lived assets	<u>\$38,997</u>	<u>\$ 47,638</u>

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As a result of the customer reclassifications discussed above, approximately \$1,195 of long-lived assets at December 31, 2012 have been reclassified to Americas from International.

22. Fair Value Measurements

The Company evaluates certain of its financial instruments within the three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1 — defined as observable inputs such as quoted prices in active markets;

Level 2 — defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3 — defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of June 30, 2013 and December 31, 2012, the Company held certain assets and liabilities that were required to be measured at fair value on a recurring basis. These include money market funds, commercial paper, corporate notes and bonds, U.S. government agency bonds, and publicly traded stocks, which are classified as either cash and cash equivalents or marketable securities.

The Company's financial assets are valued using market prices on both active markets (Level 1) and less active markets (Level 2). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Level 2 instrument valuations are obtained from readily available pricing sources for comparable instruments or identical instruments in less active markets. Level 3 inputs are valued using models that take into account the terms of the arrangement as well as multiple inputs where applicable, such as estimated units sold and other customer utilization metrics.

The following is a summary of fair value measurements at June 30, 2013 (in thousands):

Description	Total	Fair Value Measurements at Reporting Date Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Government agency bonds (1)	\$ 1,897	\$ —	\$ 1,897	\$ —
Money market funds (2)	8,071	8,071	—	—
Corporate notes and bonds (1)	24,279	—	24,279	—
Commercial paper (1)	4,998	—	4,998	—
Certificate of deposit (1)	5,581	—	5,581	—
Publicly traded common stock (1)	8	8	—	—
Total assets measured at fair value	<u>\$44,834</u>	<u>\$ 8,079</u>	<u>\$ 36,755</u>	<u>\$ —</u>

(1) Classified in marketable securities

(2) Classified in cash and cash equivalents

For the six months ended June 30, 2013, gains and losses for marketable securities are reported in interest income, unrealized gains and losses for marketable securities are included in other comprehensive income and expense. For the six months ended June 30, 2013, the Company had net unrealized losses of approximately \$0.1 million.

The following is a summary of fair value measurements at December 31, 2012 (in thousands):

Description	Total	Fair Value Measurements at Reporting Date Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Government agency bonds (1)	\$ 6,270	\$ —	\$ 6,270	\$ —
Money market funds (2)	14,697	14,697	—	—
Corporate notes and bonds (1)	9,529	—	9,529	—

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Fair Value Measurements at Reporting Date Using

<u>Description</u>	<u>Total</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Commercial paper (1)	500	—	500	—
Certificate of deposit (1)	2,741	—	2,741	—
Publicly traded common stock (1)	18	18	—	—
Total assets measured at fair value	<u>\$33,755</u>	<u>\$ 14,715</u>	<u>\$ 19,040</u>	<u>\$ —</u>

- (1) Classified in marketable securities
- (2) Classified in cash and cash equivalents

The carrying amount of cash equivalents approximates fair value because their maturity is less than three months. The carrying amount of short-term and long-term marketable securities represents fair value as the securities are marked to market as of each balance sheet date with any unrealized gains and losses reported in other comprehensive income and expense. The carrying amount of accounts receivable, accounts payable, and accrued liabilities approximates fair value due to the short-term maturity of the amounts.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2012 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC), on March 1, 2013. This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, among other things, statements as to industry trends, our future expectations, operations, financial condition and prospects, business strategies and other matters that do not relate strictly to historical facts. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," or "continue," and similar expressions or variations. These statements are based on the beliefs and assumptions of our management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" set forth in Part II, Item 1A of the Quarterly Report on Form 10-Q. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. Prior period information has been modified to conform to current year presentation.

Overview

We were founded in 2001 as a provider of content delivery network services to deliver digital content over the Internet. We began development of our infrastructure in 2001 and began generating meaningful revenue in 2002. Today, we operate a globally distributed, high-performance computing platform (our global computing platform) and provide a suite of integrated services including content delivery, web and video content management, mobility, web application acceleration, cloud storage, and related consulting services that enable companies and other organizations to create, manage, and deliver a global digital presence.

The integrated suite of services that we offer collectively comprises our Limelight Orchestrate Platform (the Orchestrate Platform). We provide the Orchestrate Platform as SaaS and IaaS, which, other than content delivery, transit and rack space services, are referred to collectively as Value Added Services (VAS). We offer VAS both collectively as the end-to-end Orchestrate Platform and individually for customers that may not be inclined or able to adopt the entire platform. On May 14, 2013, we announced the next generation of our Orchestrate Platform. Orchestrate V2.0 offers new and enhanced capabilities designed to help organizations better engage digital audiences. As of June 30, 2013, we had 1,358 active customers worldwide.

The following table summarizes our revenue, costs and expenses for the three and six months ended June 30, 2013 and 2012 (in thousands of dollars and as a percentage of total revenue):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2013		2012		2013		2012	
Revenues	\$ 42,763	100.0%	\$44,447	100.0%	\$ 88,576	100.0%	\$ 88,763	100.0%
Cost of revenue	27,990	65.5%	27,563	62.0%	56,723	64.0%	54,893	61.8%
Gross profit	14,773	34.5%	16,884	38.0%	31,853	36.0%	33,870	38.2%
Total operating expenses	26,156	61.2%	26,251	59.1%	51,904	58.6%	52,767	59.4%
Operating loss	(11,383)	-26.6%	(9,367)	-21.1%	(20,051)	-22.6%	(18,897)	-21.3%
Total other income	201	0.5%	93	0.2%	812	0.9%	63	0.1%
Loss from continuing operations before income taxes	(11,182)	-26.1%	(9,274)	-20.9%	(19,239)	-21.7%	(18,834)	-21.2%
Income tax provision	51	0.1%	163	0.4%	131	0.1%	300	0.3%
Loss from continuing operations	(11,233)	-26.3%	(9,437)	-21.2%	(19,370)	-21.9%	(19,134)	-21.6%
Discontinued operations:								
Loss from discontinued operations, net of income taxes	—	0.0%	(391)	-0.9%	—	0.0%	(700)	-0.8%
Net loss	<u>\$(11,233)</u>	-26.3%	<u>\$(9,828)</u>	-22.1%	<u>\$(19,370)</u>	-21.9%	<u>\$(19,834)</u>	-22.3%

Use of Non-GAAP Financial Measures

To evaluate our business, we consider and use non-generally accepted accounting principles (Non-GAAP) net income (loss) and Adjusted EBITDA as a supplemental measure of operating performance. These measures include the same adjustments that

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management takes into account when it reviews and assesses operating performance on a period-to-period basis. We consider Non-GAAP net income (loss) to be an important indicator of overall business performance because it allows us to illustrate the impact of the effects of share-based compensation, litigation expenses, amortization of intangibles, acquisition related expenses, and discontinued operations. We define EBITDA as U.S. GAAP net income (loss) before interest income, interest expense, other income and expense, provision for income taxes, depreciation and amortization and discontinued operations. We believe that EBITDA provides a useful metric to investors to compare us with other companies within our industry and across industries. We define Adjusted EBITDA as EBITDA adjusted for operational expenses that we do not consider reflective of our ongoing operations. We use Adjusted EBITDA as a supplemental measure to review and assess operating performance. We also believe use of Adjusted EBITDA facilitates investors' use of operating performance comparisons from period to period. In addition, it should be noted that our performance-based executive officer bonus structure is tied closely to our performance as measured in part by certain non-GAAP financial measures.

In our August 7, 2013 earnings press release, as furnished on Form 8-K, we included Non-GAAP net loss, EBITDA and Adjusted EBITDA. The terms Non-GAAP net loss, EBITDA and Adjusted EBITDA are not defined under U.S. GAAP, and are not measures of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. Our Non-GAAP net loss, EBITDA and Adjusted EBITDA have limitations as analytical tools, and when assessing our operating performance, Non-GAAP net loss, EBITDA and Adjusted EBITDA should not be considered in isolation, or as a substitute for net loss or other consolidated income statement data prepared in accordance with U.S. GAAP. Some of these limitations include, but are not limited to:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the cash requirements necessary for litigation costs;
- they do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt that we may incur;
- they do not reflect income taxes or the cash requirements for any tax payments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will be replaced sometime in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- while share-based compensation is a component of operating expense, the impact on our financial statements compared to other companies can vary significantly due to such factors as the assumed life of the options and the assumed volatility of our common stock; and
- other companies may calculate EBITDA and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations by relying primarily on our U.S. GAAP results and using Non-GAAP net income (loss) and Adjusted EBITDA only as supplemental support for management's analysis of business performance. Non-GAAP net income (loss), EBITDA and Adjusted EBITDA are calculated as follows for the periods presented.

Reconciliation of Non-GAAP Financial Measures

In accordance with the requirements of Regulation G issued by the SEC, we are presenting the most directly comparable U.S. GAAP financial measures and reconciling the Non-GAAP financial metrics to the comparable U.S. GAAP measures.

Reconciliation of U.S. GAAP Net Loss to Non-GAAP Net Loss (In thousands) (Unaudited)

	Three Months Ended			Six Months Ended	
	June 30, 2013	March 31, 2013	June 30, 2012	June 30, 2013	June 30, 2012
U.S. GAAP net loss	\$(11,233)	\$ (8,136)	\$(9,828)	\$(19,370)	\$(19,834)
Share-based compensation	3,227	3,350	3,221	6,577	7,172
Litigation defense expenses	109	42	(31)	151	18
Acquisition related expenses	(9)	(24)	68	(33)	(419)
Amortization of intangibles	718	732	729	1,450	1,424
Loss from discontinued operations	—	—	391	—	700
Non-GAAP net loss	<u>\$ (7,188)</u>	<u>\$ (4,036)</u>	<u>\$(5,450)</u>	<u>\$(11,225)</u>	<u>\$(10,939)</u>

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Reconciliation of U.S. GAAP Net Loss to EBITDA to Adjusted EBITDA (In thousands) (Unaudited)

	Three Months Ended			Six Months Ended	
	June 30, 2013	March 31, 2013	June 30, 2012	June 30, 2013	June 30, 2012
U.S. GAAP net loss	\$(11,233)	\$ (8,136)	\$(9,828)	\$(19,370)	\$(19,834)
Depreciation and amortization	7,562	8,130	8,634	15,692	16,861
Interest expense	21	27	46	48	96
Interest and other (income) expense	(222)	(638)	(139)	(860)	(159)
Income tax expense	51	80	163	131	300
Loss from discontinued operations	—	—	391	—	700
EBITDA	\$ (3,821)	\$ (537)	\$ (733)	\$ (4,359)	\$ (2,036)
Share-based compensation	3,227	3,350	3,221	6,577	7,172
Litigation defense expenses	109	42	(31)	151	18
Acquisition related expenses	(9)	(24)	68	(33)	(419)
Adjusted (loss) EBITDA	<u>\$ (494)</u>	<u>\$ 2,831</u>	<u>\$ 2,525</u>	<u>\$ 2,336</u>	<u>\$ 4,735</u>

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. During the six months ended June 30, 2013, there have been no significant changes in our critical accounting policies and estimates. However, we have supplemented our disclosures contained in our Annual Report on Form 10-K for the year ended December 31, 2012, as noted below.

Goodwill and Other Intangible Assets

We test goodwill for impairment on an annual basis or more frequently if events or changes in circumstances indicate that goodwill might be impaired. We have concluded that we have one reporting unit and have assigned the entire balance of goodwill to this reporting unit. The fair value of the reporting unit is determined using our market capitalization as of our annual impairment assessment date or each reporting date if circumstances indicate the goodwill might be impaired. Items that could reasonably be expected to negatively affect key assumptions used in estimating fair value include but are not limited to:

- Sustained decline in our stock price due to a decline in our financial performance due to the loss of key customers, loss of key personnel, emergence of new technologies or new competitors;
- Decline in overall market or economic conditions leading to a decline in our stock price; and
- Decline in observed control premiums paid in business combinations involving comparable companies.

The estimated fair value of the reporting unit is determined using a market approach utilizing our market capitalization as adjusted for a control premium based on the estimated average and median control premiums of transactions involving companies comparable to us. As of the annual impairment testing date and at December 31, 2012, we determined that goodwill was not impaired. We also performed a similar analysis at June 30, 2013 and noted that the estimated fair value of our reporting unit exceeded carrying value by approximately \$58 million or 24% using the market capitalization on June 30, 2013, plus an estimated control premium of 40%. Based on this analysis, management believes goodwill is not impaired at June 30, 2013; however, adverse changes to certain key assumptions as described above could result in a future charge to earnings.

Results of Continuing Operations

Revenue

We derive revenue primarily from the sale of components of the Orchestrate Platform. We also generate revenue through the sale of professional services and other infrastructure services, such as transit and rack space services. We also maintain relationships with a number of resellers that purchase our services for resale to their end customers.

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The following table reflects our revenue for the three and six months ended June 30, 2013 and 2012 (in thousands of dollars and as a percentage of total revenue):

	<u>Three Months Ended June 30,</u>				<u>Six Months Ended June 30,</u>			
	<u>2013</u>		<u>2012</u>		<u>2013</u>		<u>2012</u>	
Content delivery network	\$27,195	63.6%	\$30,241	68.0%	\$57,202	64.6%	\$60,940	68.7%
Value added services	<u>15,568</u>	36.4%	<u>14,206</u>	32.0%	<u>31,374</u>	35.4%	<u>27,823</u>	31.3%
Total revenue	<u>\$42,763</u>	100.0%	<u>\$44,447</u>	100.0%	<u>\$88,576</u>	100.0%	<u>\$88,763</u>	100.0%

Our content delivery revenue decreased during the three and six months ended June 30, 2013 versus the comparable 2012 periods primarily due to the expiration of our reseller contract with Global Crossing during the second quarter of 2012, customer churn, a decline in our average unit selling price, offset by increased traffic, a decline in our transit and co-location services revenue and foreign currency headwinds.

As of June 30, 2013, we had 1,358 active customers worldwide compared to 1,494 as of June 30, 2012, due in part to our continued selective approach to accepting profitable business by establishing a clear process for identifying customers that value quality, performance, availability and service. Despite adding many new customers during the quarter, we ended the quarter with a net customer loss.

In the past, the customers that comprise our top 10 customers have continually changed, and our large customers such as Netflix, Inc. (Netflix) may not continue to be as significant going forward as they have been in the past. As previously disclosed, our contract with Netflix was scheduled to expire on December 31, 2013. We have recently entered into an agreement to extend our relationship into 2014.

Our VAS revenue increased during the three and six months ended June 30, 2013 versus the comparable 2012 periods primarily due to an increase in our video revenue and our performance services revenue. These increases were partially offset by decreases in our content and professional services revenue.

Revenue by geography is based on the location of the customer from which the revenue is earned. The following table sets forth revenue by geographic area (in thousands):

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Americas	\$28,822	\$30,746	\$60,877	\$61,599
EMEA	8,286	7,868	16,608	15,946
Asia Pacific	<u>5,655</u>	<u>5,833</u>	<u>11,091</u>	<u>11,218</u>
Total revenue	<u>\$42,763</u>	<u>\$44,447</u>	<u>\$88,576</u>	<u>\$88,763</u>

At this time, we anticipate revenues will decrease in 2013 compared to 2012. We expect to see an increase in our video revenue; however this increase will be offset by a decrease in our content delivery revenue and in our professional services revenue.

Cost of Revenue

Cost of revenue consists primarily of fees paid to network providers for bandwidth and backbone, costs incurred for non-settlement free peering and connection to ISPs, and fees paid to data center operators for housing of our network equipment in third party network data centers, also known as co-location costs. Cost of revenue also includes depreciation of network equipment used to deliver our content delivery services, payroll and related costs, and share-based compensation for our network operations and professional services personnel.

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Cost of revenue was composed of the following (in thousands and as a percentage of total revenue):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2013		2012		2013		2012	
Bandwidth and co-location fees	\$14,697	34.4%	\$13,241	29.8%	\$29,501	33.3%	\$26,838	30.2%
Depreciation — network	6,120	14.3%	7,184	16.2%	12,800	14.5%	14,013	15.8%
Payroll and related employee costs	4,668	10.9%	4,450	10.0%	9,290	10.5%	8,817	9.9%
Share-based compensation	513	1.2%	485	1.1%	1,018	1.1%	991	1.1%
Professional fees and outside services	498	1.2%	483	1.1%	1,185	1.3%	792	0.9%
Travel and travel-related expenses	160	0.4%	318	0.7%	413	0.5%	572	0.6%
Royalty expenses	225	0.5%	200	0.4%	450	0.5%	410	0.5%
Other costs	1,109	2.6%	1,202	2.7%	2,066	2.3%	2,460	2.8%
Total cost of revenue	\$27,990	65.5%	\$27,563	62.0%	\$56,723	64.0%	\$54,893	61.8%

Our cost of revenue increased in aggregate dollars and as a percentage of total revenue for the three and six months ended June 30, 2013 versus the comparable 2012 periods, primarily as a result of the following:

- Bandwidth and co-location fees increased primarily due to increased peering costs and rack fees as a result of an increase in traffic delivered; and
- Payroll and related employee costs increased due to increased salaries for operations personnel.

These increases were partially offset by a decrease in network depreciation as prior year network equipment becomes fully depreciated.

We anticipate our 2013 cost of revenue will remain consistent with 2012 in absolute dollars and slightly increase as a percent of sales. We anticipate depreciation expense related to our network equipment to decrease compared to 2012 in absolute dollars.

General and Administrative

General and administrative expense was composed of the following (in thousands and as a percentage of total revenue):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2013		2012		2013		2012	
Payroll and related employee costs	\$2,535	5.9%	\$2,331	5.2%	\$ 5,322	6.0%	\$ 4,899	5.5%
Professional fees and outside services	1,956	4.6%	1,680	3.8%	3,736	4.2%	3,857	4.3%
Share-based compensation	1,605	3.8%	1,290	2.9%	3,226	3.6%	3,067	3.5%
Bad debt expense	205	0.5%	458	1.0%	531	0.6%	884	1.0%
Travel and travel-related expenses	165	0.4%	164	0.4%	308	0.3%	336	0.4%
Litigation expenses	109	0.3%	—	0.0%	151	0.2%	18	0.0%
Other costs	1,790	4.2%	2,130	4.8%	3,164	3.6%	3,312	3.7%
Total general and administrative	\$8,365	19.6%	\$8,053	18.1%	\$16,438	18.6%	\$16,373	18.4%

Our general and administrative expense increased in aggregate dollars or as a percentage of total revenue for the three and six months ended June 30, 2013 versus the comparable 2012 periods, primarily as a result of the following:

- Payroll and payroll related employee costs and share-based compensation increased due to higher headcount;
- Professional fees increased due to increased general legal fees and consulting costs; and
- Litigation expenses increased due to work performed related to the Akamai litigation.

These increases in costs were partially offset by a decrease in bad debt expense and a decrease in other costs. Bad debt expense decreased due to lower past due and unrecoverable amounts from certain customers. Other costs decreased primarily due to a recovery of use tax, decreased facilities costs and decreased fees and licenses during the three and six months ended June 30, 2013.

In 2013, we expect our general and administrative expenses to decrease in absolute dollars and remain constant as a percentage of revenue compared to 2012. We expect that share-based compensation expense will decrease in absolute dollars and slightly decrease as a percentage of revenue compared to 2012.

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Sales and Marketing

Sales and marketing expense was composed of the following (in thousands and as a percentage of total revenue):

	<u>Three Months Ended June 30,</u>		<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2013</u>		<u>2012</u>		<u>2013</u>		<u>2012</u>	
Payroll and related employee costs	\$ 6,376	14.9%	\$ 7,019	15.8%	\$12,632	14.3%	\$14,285	16.1%
Marketing programs	885	2.1%	673	1.5%	1,525	1.7%	1,199	1.4%
Travel and travel-related expenses	711	1.7%	1,205	2.7%	1,393	1.6%	2,178	2.5%
Share-based compensation	595	1.4%	829	1.9%	1,258	1.4%	1,666	1.9%
Professional fees and outside services	479	1.1%	374	0.8%	884	1.0%	837	0.9%
Other costs	<u>1,653</u>	3.9%	<u>1,662</u>	3.7%	<u>3,491</u>	3.9%	<u>3,229</u>	3.6%
Total sales and marketing	<u>\$10,699</u>	25.0%	<u>\$11,762</u>	26.5%	<u>\$21,183</u>	23.9%	<u>\$23,394</u>	26.4%

Our sales and marketing expense decreased in aggregate dollars and as a percentage of total revenue for the three and six months ended June 30, 2013 versus the comparable 2012 periods. Payroll and related employee costs, decreased due to lower variable compensation on reduced revenue, and lower headcount, while travel and travel-related expenses and stock-based compensation decreased due to lower headcount in our sales organization.

These decreases in costs were partially offset by an increase in marketing programs as a result of trade shows, the announcement of Limelight Orchestrate V2.0 and other marketing related activities.

We anticipate our sales and marketing expenses will decrease in 2013 in absolute dollars and slightly decrease as a percentage of revenue compared to 2012. We expect that share-based compensation expense will decrease in absolute dollars and slightly decrease as a percentage of revenue in 2013 compared to 2012.

Research and Development

Research and development expense was composed of the following (in thousands and as a percentage of total revenue):

	<u>Three Months Ended June 30,</u>		<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2013</u>		<u>2012</u>		<u>2013</u>		<u>2012</u>	
Payroll and related employee costs	\$4,184	9.8%	\$3,706	8.3%	\$ 8,530	9.6%	\$ 7,605	8.6%
Share-based compensation	514	1.2%	617	1.4%	1,075	1.2%	1,448	1.6%
Professional fees and outside services	422	1.0%	291	0.7%	727	0.8%	462	0.5%
Travel and travel-related expenses	225	0.5%	172	0.4%	442	0.5%	276	0.3%
Other costs	<u>305</u>	0.7%	<u>200</u>	0.4%	<u>617</u>	0.7%	<u>361</u>	0.4%
Total research and development	<u>\$5,650</u>	13.2%	<u>\$4,986</u>	11.2%	<u>\$11,391</u>	12.9%	<u>\$10,152</u>	11.4%

Our research and development expense increased in aggregate dollars and as a percentage of total revenue for the three and six months ended June 30, 2013 versus the comparable 2012 periods, primarily as a result of an increase in payroll and related employee costs due to our hiring of additional network and software engineering personnel.

We anticipate our research and development expenses will increase in 2013 in absolute dollars and slightly increase as a percentage of revenue compared to 2012. We expect stock-based compensation to slightly decrease in both absolute dollars and as a percent of revenue.

Depreciation and Amortization (Operating Expenses)

Depreciation and amortization expense was \$1,442 and \$2,892, or 3.3% of revenue, for the three and six months ended June 30, 2013 versus \$1,450 and \$2,848, or 3.2% of revenue, for the comparable 2012 periods. Depreciation expense consists of depreciation on equipment and furnishing used by general administrative, sales and marketing, and research and development personnel. Amortization expense consists of amortization of intangible assets acquired in business combinations.

Interest Expense

Interest expense was \$21 and \$48 for the three and six months ended June 30, 2013 versus \$46 and \$96 for the comparable 2012 periods. Interest expense is primarily comprised of interest paid on capital leases.

As of June 30, 2013, with the exception of our capital leases, we had no outstanding credit facilities.

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Interest Income

Interest income was \$79 and \$149 for the three and six months ended June 30, 2013 versus \$83 and \$189 for the comparable 2012 periods. Interest income includes interest earned on invested cash balances and marketable securities.

Other Income (Expense)

Other income (expense) was \$143 and \$711 for the three and six months ended June 30, 2013 versus \$56 and \$(30) for the comparable 2012 periods. Other income (expense) consists primarily of foreign currency transaction gains and losses.

Income Tax Expense

Based on an estimated annual effective tax rate and discrete items, the estimated income tax expense from continuing operations for the three and six months ended June 30, 2013 were \$51 and \$131, respectively, versus \$163 and \$300, respectively, for the comparable 2012 periods. Income tax expense on the loss from continuing operations before taxes was different than the statutory income tax rate primarily due to our providing for a valuation allowance on deferred tax assets in certain jurisdictions, and recording of state and foreign tax expense for the quarter and year to date periods. The effective income tax rate is based primarily upon forecasted income or loss for the year, the composition of the income or loss in different countries, and adjustments, if any, for the potential tax consequences, benefits or resolutions for tax audits.

Loss from Discontinued Operations

Discontinued operations relates to our EyeWonder and chors rich media advertising services. On September 1, 2011, we completed the sale of EyeWonder, LLC (EyeWonder) and chors GmbH (chors) to DG FastChannel, Inc. (currently Digital Generation, Inc.) (DG). See Note 4 of Notes to Unaudited Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information about discontinued operations.

Liquidity and Capital Resources

As of June 30, 2013, our cash, cash equivalents and marketable securities classified as current totaled \$118.9 million. Included in this amount is approximately \$9.7 million of cash and cash equivalents held outside the United States.

The major components of changes in cash flows for the six months ended June 30, 2013 and 2012 are discussed in the following paragraphs (amounts in thousands).

Operating Activities

Net cash provided by operating activities of continuing operations increased by \$4,979 for the six months ended June 30, 2013 versus the comparable 2012 period. Changes in operating assets and liabilities of \$5,025 during the six months ended June 30, 2013 versus a decrease of \$2,646 in the comparable 2012 period, primarily due to:

- Our accounts receivable, exclusive of the change in the allowance for doubtful accounts, decreased \$1,575 due to improved timing of our cash collections compared to a \$1,022 increase in the comparable 2012 period;
- Prepaid expenses and other current assets and other long-term assets decreased \$2,530 due to the amortization of certain prepaid vendor contracts and the collection of non-income tax related receivables during the six months ended June 30, 2013 versus the comparable 2012 period; and
- Deferred revenue increased \$1,083 due to cash collected on a long-term contract during the six months ended June 30, 2013 versus the comparable 2012 period.

Cash provided by operating activities may not be sufficient to cover new purchases of property and equipment during 2013 and potential litigation expenses associated with patent litigation. The timing and amount of future working capital changes and our ability to manage our Days Sales Outstanding will also affect the future amount of cash used in or provided by operating activities.

Investing Activities

Net cash used in investing activities of continuing operations was \$25,078 for the six months ended June 30, 2013 versus \$13,262 for the comparable 2012 period. Net cash used in investing activities was principally comprised of cash used for the purchase of short-term marketable securities and capital expenditures primarily for computer equipment associated with the build-out and expansion of our global computing platform, offset by cash generated from maturities of short-term marketable securities.

We expect to have ongoing capital expenditure requirements as we continue to invest in and expand our content delivery network. During 2012, we made capital expenditures of \$18,390, which represented 10% of our total revenue. For the six months ended June 30, 2013, we made capital expenditures of \$7,122, which represented 8% of our total revenue.

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Financing Activities

Net cash used in financing activities of continuing operations was \$8,485 for the six months ended June 30, 2013 versus \$14,376 for the comparable 2012 period. Net cash used in financing activities in the six months ended June 30, 2013 related to payments made for the purchase of our common stock under our stock repurchase plans of \$5,512, payments of employee tax withholdings related to restricted stock units of \$2,129 and payments made on our capital lease obligations of approximately \$846.

On October 29, 2012, our board of directors authorized and approved a third common stock repurchase plan that authorized us to repurchase up to \$10 million of our shares of common stock, exclusive of any commissions, markups or expenses, from time to time through May 9, 2013. During the three months ended March 31, 2013, we purchased and cancelled approximately 2.3 million shares under the third repurchase plan. Any repurchased shares were cancelled and returned to authorized but unissued status. Our third common stock repurchase plan is now complete.

During the six months ended June 30, 2012, cash used for the purchase of our common stock under our stock repurchase plans was \$13,102, payments of employee tax withholdings related to restricted stock units of approximately \$518 and payments made on our capital lease obligations was \$881, partially offset by cash received from the exercise of stock options of \$125.

As of June 30, 2013, we had no outstanding debt other than the aforementioned capital leases.

Changes in cash, cash equivalents and marketable securities are dependent upon changes in, among other things, working capital items such as deferred revenues, accounts payable, accounts receivable, accrued provision for litigation and various accrued expenses, as well as changes in our capital and financial structure due to debt repurchases and issuances, stock option exercises, sales of equity investments and similar events.

We believe that our existing cash, cash equivalents and marketable securities will be sufficient to meet our anticipated cash needs for at least the next 12 months. If the assumptions underlying our business plan regarding future revenue and expenses change, or if unexpected opportunities or needs arise, we may seek to raise additional cash by selling equity or debt securities.

Contractual Obligations, Contingent Liabilities and Commercial Commitments

In the normal course of business, we make certain long-term commitments for operating leases, primarily office facilities, bandwidth, computer rack space, and other purchase obligations. These leases and obligations expire on various dates ranging from 2013 to 2019. We expect that the growth of our business will require us to continue to add to and increase our long-term commitments in 2013 and beyond. As a result of our growth strategies, we believe that our liquidity and capital resources requirements will grow.

The following table presents our contractual obligations and commercial commitments, as of June 30, 2013 over the next five years and thereafter (in thousands):

Contractual obligations as of June 30, 2013	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating Leases					
Bandwidth leases	\$23,130	\$ 17,552	\$ 4,646	\$ 932	\$ —
Rack space leases	42,312	17,911	24,112	289	—
Real estate leases	14,380	3,712	5,671	3,644	1,353
Total operating leases	79,822	39,175	34,429	4,865	1,353
Capital leases	1,357	825	513	19	—
Other purchase obligations	1,599	564	1,035	—	—
Total commitments	\$82,778	\$ 40,564	\$35,977	\$ 4,884	\$ 1,353

Off Balance Sheet Arrangements

As of June 30, 2013, we were not involved in any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio. In our investment portfolio, we do not use derivative financial instruments. Our investments are primarily with our commercial and investment banks and, by policy, we limit the amount of risk by investing primarily in money market funds, United States Treasury obligations, high quality corporate and municipal obligations, and certificates of deposit. Our outstanding capital lease obligations bear fixed interest rates and fluctuations in interest rates. We do not believe that a 10% change in interest rates would have a significant impact on our interest income, operating results or liquidity.

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Foreign Currency Risk

We operate in the Americas, EMEA and Asia-Pacific. As a result of our international business activities, our financial results could be affected by factors such as changes in foreign currency exchange rates or economic conditions in foreign markets, and there is no assurance that exchange rate fluctuations will not harm our business in the future. We have foreign currency exchange rate exposure on our results of operations as it relates to revenues and expenses denominated in foreign currencies. A portion of our cost of revenues and operating expenses are denominated in foreign currencies as are revenues associated with certain international customers. To the extent that the U.S. dollar weakens, similar foreign currency denominated transactions in the future will result in higher revenues and higher cost of revenues and operating expenses, with expenses having the greater impact on our financial results. Similarly, our revenues and expenses will decrease if the U.S. dollar strengthens against these foreign currencies. Although we will continue to monitor our exposure to currency fluctuations, and, where appropriate, may use financial hedging techniques in the future to minimize the effect of these fluctuations, we are not currently engaged in any financial hedging transactions. Assuming a 10 percent weakening of the U.S. dollar relative to our foreign currency denominated revenues and expenses, our net loss for the year ended December 31, 2012 and the six months ended June 30, 2013 would have been higher by approximately \$3.0 million and \$1.5 million, respectively. There are inherent limitations in the sensitivity analysis presented, primarily due to the assumption that foreign exchange rate movements across multiple jurisdictions are similar and would be linear and instantaneous. As a result, the analysis is unable to reflect the potential effects of more complex markets or other changes that could arise which may positively or negatively affect our results of operations.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Credit Risk

During any given fiscal period, a relatively small number of customers typically account for a significant percentage of our revenue. For example, in 2012, sales to our top 10 customers accounted for approximately 33% of our total revenue, and we had one customer, Netflix, which represented approximately 11% of our total revenue. For the three months ended June 30, 2013 and 2012, sales to our top 10 customers accounted for approximately 36% and 32%, respectively, of our total revenue. During the three months ended June 30, 2013 and 2012, Netflix represented approximately 13% and 11% of our total revenue. For the six months ended June 30, 2013 and 2012, sales to our top 10 customers accounted for approximately 36% and 32%, respectively, of our total revenue. During the six months ended June 30, 2013 and 2012, Netflix represented approximately 13% and 11%, respectively, of our total revenue. In 2013, we anticipate that our top 10 customer concentration levels will remain consistent with 2012. In the past, the customers that comprised our top 10 customers have continually changed, and our large customers may not continue to be as significant going forward as they have been in the past.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in SEC Rule 13a-15(e) and 15d-15(e). We maintain disclosure controls and procedures, as such term is defined in SEC Rule 13a-15(e) and 15d-15(e), that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of June 30, 2013. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in litigation with Akamai and the Massachusetts Institute of Technology (MIT) relating to a claim of patent infringement. The action was filed in June 2006 in the United States District Court for the District of Massachusetts. The trial date was set for February 2008 with respect to four claims relating to United States Patent No. 6,108,703 (the '703 patent). Before trial, Akamai waived by stipulation its claims of indirect or induced infringement and proceeded to trial only on the theory of direct infringement. In February 2008, a jury returned a verdict in this lawsuit, finding that we infringed four claims of the '703 patent at issue and rejecting our invalidity defenses. The jury awarded an aggregate of approximately \$45.5 million which includes lost profits, reasonable royalties and price erosion damages for the period April 2005 through December 31, 2007. In addition, the jury awarded pre-judgment interest which we estimated to be \$2.6 million at December 31, 2007. We recorded the aggregate \$48.1 million as a provision for litigation as of December 31, 2007. During 2008, we recorded an additional provision of approximately \$17.5 million for potential additional infringement damages and interest. On July 1, 2008, the court denied our motions for JMOL, Obviousness, and a New Trial. The court also denied Akamai's Motion for Permanent Injunction as premature and denied its Motions for Summary Judgment regarding our equitable defenses. The court conducted a bench trial in November 2008 regarding our equitable defenses. We also filed a motion for reconsideration of the court's earlier denial of our motion for JMOL. Our 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.*, released after the court denied our initial motion for JMOL. On April 24, 2009, the court issued its order and memorandum setting aside the adverse jury verdict and ruling that we did not infringe Akamai's '703 patent and that we were entitled to JMOL. Based upon the court's April 24, 2009 order, we reversed the \$65.6 million provision for litigation previously recorded for this lawsuit as we no longer believed that payment of any amounts represented by the litigation provision was probable. The court entered final judgment in our favor on May 22, 2009, and Akamai filed a notice of appeal of the court's decision on May 26, 2009. On December 20, 2010, the Court of Appeals for the Federal Circuit issued its opinion affirming the trial court's entry of judgment in our favor. On February 18, 2011, Akamai filed a motion with the Court of Appeals for the Federal Circuit seeking a rehearing and rehearing *en banc*. On April 21, 2011, the Court of Appeals for the Federal Circuit issued an order denying the petition for rehearing, granting the petition for rehearing *en banc*, vacating the December 20, 2010 opinion affirming the trial court's entry of judgment in our favor, and reinstated the appeal.

On August 31, 2012, the Court of Appeals for the Federal Circuit issued its opinion in the case. The Court of Appeals stated that the trial court correctly determined we did not directly infringe Akamai's '703 patent and upheld the trial court's decision to vacate the original jury's damages award. The Court of Appeals also held that we did not infringe Akamai's '413 or '645 patents. A slim majority in this three-way divided opinion also announced a revised legal theory of induced infringement, remanded the case to the trial court, and gave Akamai an opportunity for a new trial to attempt to prove that we induced our customers to infringe Akamai's patent under the Court of Appeals' new legal standard. On December 28, 2012, we filed a petition for writ of certiorari to the United States Supreme Court to appeal this sharply divided Court of Appeals decision and will seek to stay any proceedings at the trial court until the Supreme Court rules on that petition. Akamai then filed a cross petition for consideration of the Court of Appeals standard for direct infringement followed by an opposition to our petition. On June 24, 2013, the Supreme Court asked the Solicitor General to weigh in on our petition. We believe that the Court of Appeals new induced infringement standard runs counter to the Patent Act and Supreme Court precedent, and it should be overturned by the Supreme Court. Additionally, just as we have successfully shown that we do not directly infringe Akamai's patent, we firmly believe that we will ultimately be successful in showing that we do not infringe Akamai's patent under the Court of Appeals majority's new induced infringement theory, and do not believe a loss is probable. We will continue to vigorously defend against the allegation; however, we cannot provide any assurance that the lawsuit ultimately will be resolved in our favor. An adverse ruling could seriously impact our ability to conduct significant portions of our business and to offer certain of our products and services to our customers. A permanent injunction could prevent us from operating our content delivery services or from delivering certain types of traffic, which could impact the viability of those portions of our business. Any adverse ruling, in turn, would harm our revenue, market share, reputation, liquidity and overall financial position. In light of the status of the litigation, we believe that there is a reasonable possibility that we have incurred a loss related to the Akamai litigation. While we believe that there is a reasonable possibility that a loss has been incurred, we are not able to estimate a range of the loss due to the complexity and procedural status of the case and do not believe a loss is probable therefore, no provision for this lawsuit is recorded in our consolidated financial statements.

In the ordinary course of our business, we are also involved in a limited number of other legal actions, both as plaintiff and defendant, and could incur uninsured liability in any one or more of them. With respect to pending legal actions to which we are a party, although the outcomes of these actions are not generally determinable, we believe that the ultimate resolution of these matters will not have a material adverse effect on our financial position, cash flows or results of operations. Litigation relating to the content delivery services industry is not uncommon, and we are, and from time to time have been, subject to such litigation. No assurances can be given with respect to the extent or outcome of any such litigation in the future.

ITEM 1A. RISK FACTORS

Investments in the equity securities of publicly traded companies involve significant risks. Our business, prospects, financial condition or operating results could be materially adversely affected by the risks identified below, as well as other risks not currently

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known to us or that we currently consider immaterial. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. In assessing the risks described below, you should also refer to the information contained in this Quarterly Report on Form 10-Q, including our unaudited condensed consolidated financial statements and the related notes, as well as our Annual Report on Form 10-K for the year ended December 31, 2012 and other documents that we file from time to time with the Securities and Exchange Commission.

Risks Related to Our Business

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

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

Our primary competitors for content delivery services include Akamai, Level 3 Communications, Amazon, CDNetworks, and Edgecast. 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 our market, either directly or indirectly, some of which may become significant competitors in the future. Given the relative ease by which customers typically can switch among content delivery service providers, differentiated offerings or pricing by competitors could lead to a rapid loss of customers. Some of our 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 we offer. In addition, as we expand internationally, we face 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 our business, financial condition and results of operations.

Our primary competitors for our SaaS offerings include Brightcove, Ooyala, Unicorn Media, Sitecore, Adobe and CrownPeak, as well as open source products such as Kaltura and Drupal. However, the competitive landscape is different from content delivery in this area in that changing vendors can be costly and complicated for the customer, which could make it difficult for us to attract new customers and increase our market share. If we are unable to increase our customer base and increase our market share, our business, financial condition and results of operations may suffer.

If we are unable to sell our services at acceptable prices relative to our costs, our revenue and gross margins will decrease, and our 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. We have invested significant amounts in purchasing capital equipment to increase the capacity of our global computing network. Our investments in our infrastructure are based upon our assumptions regarding future demand and also prices that we will be able to charge for our services. These assumptions may prove to be wrong. If the price that we are able to charge customers to deliver their content falls to a greater extent than we anticipate, if we over-estimate future demand for our services or if our costs to deliver our services do not fall commensurate with any future price declines, we may not be able to achieve acceptable rates of return on our infrastructure investments and our gross profit and results of operations may suffer dramatically.

As we further expand our global computing network and the suite of content delivery services and VAS, and as we refresh our network equipment, we are dependent on significant future growth in demand for our services to justify additional capital expenditures. If we fail to generate significant additional demand for our services, our results of operations will suffer, and we may fail to achieve planned or expected financial results. There are numerous factors that could, alone or in combination with other factors, impede our ability to increase revenue, moderate expenses or maintain gross margins, including:

- continued price declines arising from significant competition with respect to content delivery services and our VAS;
- increasing settlement fees for certain peering relationships;
- failure to increase sales of our core content delivery services or to grow our VAS;
- 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 we can charge for our services and products;
- inability to maintain our prices relative to our costs;
- failure of our 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 our increase in new customers or our sales to existing customers;

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- failure to increase sales of our services to current customers as a result of their ability to reduce their monthly usage of our services to their minimum monthly contractual commitment;
- failure of a significant number of customers to pay our fees on a timely basis or at all or failure to continue to purchase our services in accordance with their contractual commitments; and
- inability to attract high quality customers to purchase and implement our current and planned services.

We expect a significant and increasing portion of our revenue to be derived from our VAS offerings. Our VAS tend to have higher gross margins than our content delivery services. We do not have a long history of offering VAS, and we may not be able to achieve the growth rates in such services revenue that we or our investors expect or have experienced in the past. There are numerous companies that compete in providing VAS, and many of these companies have greater financial and sales resources than we do. We may not be successful in competing against current and new providers of VAS. If we are unable to achieve the growth rates in our VAS revenue that we expect, our revenue and operating results could be significantly and negatively affected.

If we are unable to develop new services and enhancements to existing services or fail to predict and respond to emerging technological trends and customers' changing needs, our operating results may suffer.

The market for our content delivery services and VAS is characterized by rapidly changing technology, evolving industry standards and new product and service introductions. Our operating results depend on our ability to predict user preferences or industry changes, and modify our solutions and services on a timely basis or develop and introduce new services into existing and emerging markets. The process of developing new technologies is complex and uncertain. We must commit significant resources to developing new services or enhancements to our existing services before knowing whether our investments will result in services the market will accept. Furthermore, we may not execute successfully our technology initiatives because of errors in planning or timing, technical hurdles that we fail to overcome in a timely fashion, misunderstandings about market demand or a lack of appropriate resources. As prices for content delivery services continue to fall, we will increasingly rely on new product offerings and other VAS to maintain or increase our gross margins. Failures in execution, delays in bringing new or improved products or services to market, failure to effectively integrate service offerings or market acceptance of new services we introduce could result in competitors providing those solutions before we do, which could lead to loss of market share, revenue and earnings.

Rapidly evolving technologies or new business models could cause demand for our content delivery services and VAS to decline or could cause these services to become obsolete.

Customers or third parties may develop technological or business model innovations that address content management and delivery requirements in a manner that is, or is perceived to be, equivalent or superior to our content delivery services and VAS. If competitors introduce new products or services that compete with or surpass the quality or the price or performance of our services, we may be unable to renew our agreements with existing customers or attract new customers at the prices and levels that allow us to generate attractive rates of return on our 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 our content delivery services, or even makes content delivery services obsolete. We may not anticipate such developments and may be unable to adequately compete with these potential solutions. In addition, our customers' business models may change in ways that we do not anticipate, and these changes could reduce or eliminate our customers' needs for content delivery or digital asset management services. If this occurred, we could lose customers or potential customers, and our 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 our market may require us to reduce our prices faster than we anticipate, which could harm our revenue, gross margin and operating results.

More individuals are using mobile 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 PCs, including mobile devices, game consoles and television set-top devices, has increased dramatically in the past few years. The capabilities of these devices are advancing dramatically and the increasing need to provide a high quality video experience will present us and other providers with significant challenges. If we are unable to deliver our service offerings to a substantial number of alternative device users and at a high quality or if we are slow to develop services and technologies that are more compatible with mobile devices, we will fail to capture a significant share of an increasingly important portion of the market. Such a failure could limit our ability to compete effectively in an industry that is rapidly growing and changing.

Any unplanned interruption or substantial and extensive degradation in the functioning of our network or services, or attacks on our internal information technology systems, could lead to significant costs and disruptions that could reduce our revenue and harm our business, financial results and reputation.

Our business is dependent on providing our customers with fast, efficient and reliable distribution of content delivery and digital asset management services over the Internet every minute of every day. Many of our customers depend primarily or exclusively on our services to operate their businesses. Consequently, any disruption, or substantial and extensive degradation of our services could

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have a material impact on our customers' businesses. Our network or services could be disrupted by numerous events, including natural disasters, failure or refusal of our third party network providers to provide the necessary capacity or access, failure of our software or global computing platform infrastructure and power losses. In addition, we deploy our servers in third party co-location facilities, and these third-party co-location providers could experience system outages or other disruptions that could constrain our ability to deliver our services. We may also experience disruptions caused by software viruses, unauthorized hacking of our systems, security breaches or other cyber attacks by unauthorized users. Any unauthorized hacking of our systems or other cyber attacks by unauthorized users could lead to the unauthorized release of confidential information that could damage our business.

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

We are a party to a lawsuit with a significant competitor, and an adverse outcome in that lawsuit is possible, which could have a significant, adverse effect on our financial condition and operations. If an injunction were entered against us, it could force us to cease providing some significant portion of our content delivery services.

We are currently a defendant in one significant lawsuit (see discussion in "Legal Proceedings" in Part II, Item 1 of this Quarterly Report on Form 10-Q). The expenses of defending this lawsuit and other lawsuits to which we are or may become a party, particularly fees paid to our lawyers and expert consultants, have been significant and may continue to adversely affect our operating results during the pendency of such lawsuits. Also, this litigation has been a distraction to our management and technical personnel.

On August 31, 2012, the Court of Appeals for the Federal Circuit issued its opinion in Akamai Technologies, Inc. v. Limelight Networks, Inc. The court stated that the trial court correctly determined that we did not directly infringe Akamai's '703 patent, and as such it upheld the trial court's decision to vacate the original jury's damages award. The court also held that we did not infringe Akamai's '413 or '645 patents. However, a slim majority in this three-way divided opinion also announced a revised legal theory of induced infringement, remanded the case to the trial court, and gave Akamai an opportunity for a new trial to attempt to prove that we induced our customers to infringe Akamai's patent under the court's new legal standard. We have filed a petition to appeal this sharply divided Court of Appeals decision to the Supreme Court and will seek to stay any proceedings at the trial court until the Supreme Court rules on that petition. An adverse ruling could seriously impact our ability to conduct our business and to offer our products and services to our customers. A permanent injunction could prevent us from operating our content delivery services or from delivering certain types of traffic, which could impact the viability of those portions of our business. Any adverse ruling, in turn, would harm our revenue, market share, reputation, liquidity and overall financial position.

We are from time to time party to other lawsuits in addition to that described above. Lawsuits are expensive to defend and to prosecute, and require a diversion of management time and attention away from other activities to pursue the defense or prosecution of such matters. Adverse ruling in such lawsuits either alone or cumulatively may have an adverse impact on our revenue, expenses, market share, reputation, liquidity and overall financial position.

We need to defend our intellectual property and processes against patent or copyright infringement claims, which may cause us to incur substantial costs and threaten our ability to do business.

Companies, organizations or individuals, including our competitors, may hold or obtain patents or other proprietary rights that would prevent, limit or interfere with our ability to make, use or sell our services or develop new services, which could make it more difficult for us to operate our business. From time to time, we may receive inquiries from holders of patents inquiring whether we infringe 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. In addition, many of our agreements with customers require us to indemnify such customers for third-party intellectual property infringement claims against them. Pursuant to such agreements, we may be required to defend such customers against certain claims which could cause us to incur additional significant costs. Any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources. In addition, if we are determined to have infringed upon a third party's intellectual property rights, we 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.

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

Our business will be adversely affected if we are unable to protect our intellectual property rights from unauthorized use or infringement by third parties.

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. We have applied for patent protection in the United States and a number of foreign countries. These legal protections afford only limited protection and laws in foreign jurisdictions may not protect our proprietary rights as fully as in the United States. Monitoring infringement of our intellectual property rights is difficult, and we cannot be certain that the steps we have taken will prevent unauthorized use of our intellectual property rights. Developments and changes in patent law, such as changes in interpretations of the joint infringement standard, could restrict how we enforce certain patents we hold. We also 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 us.

We use certain “open-source” software the use of which could result in our having to distribute our proprietary software, including our source code, to third parties on unfavorable terms which could materially affect our business.

Certain of our 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 we use open-source code, we may be required to take remedial action to protect our proprietary software. Such action could include replacing certain source code used in our software, discontinuing certain of our products or taking other actions that could divert resources away from our development efforts.

In addition, the terms relating to disclosure of derivative works in many open-source licenses are unclear. We periodically review our compliance with the open-source licenses we use and do not believe we will be required to make our proprietary software freely available. However, if a court interprets one or more such open-source licenses in a manner that is unfavorable to us, we could be required to make our software available at no cost.

If we fail to manage future growth effectively, we may not be able to market and sell our services successfully.

Our future operating results depend to a large extent on our ability to successfully manage our operations. For example, we must be effective in training new sales personnel in our varied and increasing offerings to become productive and generate revenue; forecasting revenue; controlling expenses and investments in anticipation of expanded operations; implementing and enhancing our global computing platform and administrative infrastructure, systems and processes; addressing new markets; and expanding our international operations. A failure to manage our growth effectively could materially and adversely affect our ability to market and sell our products and services.

If we fail to maintain proper and effective internal controls or fail to implement our controls and procedures with respect to acquired or merged operations, our ability to produce accurate financial statements could be impaired, which could adversely affect our operating results, our ability to operate our business and investors' views of us.

We must ensure that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis. We are required to spend considerable effort on establishing and maintaining our internal controls, which is costly and time-consuming and needs to be re-evaluated frequently.

We have operated as a public company since June 2007, and we will continue to incur significant legal, accounting and other expenses as we comply with the Sarbanes-Oxley Act of 2002, as well as new rules implemented from time to time by the SEC and the Nasdaq Global Select Market. These rules impose various requirements on public companies, including requiring changes in corporate governance practices, increased reporting of compensation arrangements and other requirements. Our management and other personnel will continue to devote a substantial amount of time to these compliance initiatives. Moreover, new rules and regulations will likely increase our legal and financial compliance costs and make some activities more time-consuming and costly. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that we include in our annual report our assessment of the effectiveness of our internal control over financial reporting and our audited financial statements as of the end of each fiscal year. Furthermore, our independent registered public accounting firm, Ernst & Young LLP (E&Y), is required to report on whether it believes we maintained, in all material respects, effective internal control over financial reporting as of the end of the year. Our continued compliance with Section 404 will require that we incur substantial expense and expend significant management time on compliance related issues,

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including our efforts in implementing controls and procedures related to acquired or merged operations. We currently do not have an internal audit group and use an international accounting firm to assist us with our assessment of the effectiveness of our internal controls over financial reporting. In future years, if we fail to timely complete this assessment, or if E&Y cannot timely attest, there may be a loss of public confidence in our internal controls, the market price of our stock could decline, and we could be subject to regulatory sanctions or investigations by the Nasdaq Global Select Market, the SEC 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 our operating results or cause us to fail to timely meet our regulatory reporting obligations.

In the previously filed financial statements included in our Form 10-Q for the period ended March 31, 2012 and the period ended June 30, 2012, we improperly classified cash collected from DG related to the sale of EyeWonder and chors as cash provided by operating activities of continuing operations in the unaudited Condensed Consolidated Statements of Cash Flows. As a result of the error, we identified a material weakness in our system of internal controls over financial reporting with regard to evaluating the proper cash flow classification of cash collected from DG. We corrected the classification error in our third quarter Form 10-Q and amended our March 31, 2012 Form 10-Q and June 30, 2012 Form 10-Q to reflect the correct classification.

Since the date of discovery of this material weakness and through the date of this Form 10-Q, we have taken steps which we feel strengthen our internal controls, including implementing a stronger review process around the preparation of our consolidated statement of cash flows and updating our processes and procedures to ensure that accounting personnel have sufficient guidance to remediate the material weakness. As of December 31, 2012, we consider this material weakness to have been fully remediated. The actions we have taken to remediate this material weaknesses are subject to continued management review supported by confirmation and testing, as well as oversight by the Audit Committee of our board of directors. We cannot assure you that material weaknesses or significant deficiencies will not occur in the future and that we will be able to remediate such weaknesses or deficiencies in a timely manner, which could impair our ability to accurately and timely report our financial position, results of operations or cash flows.

We may lose customers if they elect to develop content delivery services and other competitive VAS solutions internally.

Our customers and potential customers may decide to develop their own content delivery, web and video content management and other digital presence management solutions rather than outsource these solutions to services providers like us. This is particularly true as our customers increase their operations and begin expending greater resources on delivering their content using third party solutions. If we fail to offer content delivery, web and video content management and other related services that are competitive to in-sourced solutions, we may lose additional customers or fail to attract customers that may consider pursuing this in-sourced approach, and our business and financial results would suffer.

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

Some of our customers will not be successful in selling advertising or otherwise monetizing the content we deliver on their behalf and consequently may not be successful in creating a profitable business model. This will result in some of our customers discontinuing their Internet or web-based business operations and discontinuing use of our services and solutions. 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 portions of the worldwide economy may be in a prolonged recessionary period — may materially adversely impact our customers' access to capital or willingness to spend capital on our 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 our 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 us. From time to time we discontinue service to customers for non-payment of services. We expect further customers may discontinue operations or not be willing or able to pay for services that they have ordered from us. Further loss of customers may adversely affect our financial results.

Our business depends on a strong brand reputation, and if we are not able to maintain and enhance our brands, our business will suffer.

We believe that maintaining and enhancing the “Limelight Networks” brand is important to expanding our 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 our brand may require us to make substantial investments in research and development and in the marketing of our solutions and services and these investments may not be successful. If we fail to promote and maintain the “Limelight Networks” brand, or if we incur excessive expenses in this effort, our business and results of operations could be adversely impacted. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Maintaining and enhancing our brand will depend largely on our ability to be a technology leader and to continue to provide high quality solutions and services, which we may not do successfully.

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

During any given fiscal period, a relatively small number of customers typically account for a significant percentage of our revenue. Sales to our top 10 customers in 2012 accounted for approximately 33% of our total revenue. For the six months ended June 30, 2013, sales to our top 10 customers accounted for approximately 36% of our total revenue. During 2012, we had one customer, Netflix, which represented approximately 11% of our total revenue. For the six months ended June 30, 2013, we had one customer Netflix, which represented approximately 13% of our total revenue. Our contract with Netflix was scheduled to expire on December 31, 2013. We have recently entered into an agreement to extend our relationship into 2014. 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 our top 10 customers have continually changed, and we also have experienced significant fluctuations in our individual customers' usage of our services. As a consequence, we may not be able to adjust our expenses in the short term to address the unanticipated loss of a large customer during any particular period. As such, we may experience significant, unanticipated fluctuations in our operating results which may cause us to not meet our expectations or those of stock market analysts, which could cause our stock price to decline.

If we are unable to attract new customers or to retain our existing customers, our revenue could be lower than expected and our operating results may suffer.

In addition to adding new customers, to increase our revenue, we must sell additional services to existing customers and encourage existing customers to increase their usage levels. If our existing and prospective customers do not perceive our services to be of sufficiently high value and quality, we may not be able to retain our current customers or attract new customers. We sell our services pursuant to service agreements that generally include some form of financial minimum commitment. Our customers have no obligation to renew their contracts for our 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 our 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 our market, means that we cannot accurately predict future customer renewal rates or usage rates. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including:

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

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

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

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

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

- our ability to increase sales to existing customers and attract new customers to our content delivery services and VAS;
- the addition or loss of large customers, or significant variation in their use of our content delivery services and VAS;
- costs associated with current or future intellectual property lawsuits and other lawsuits;
- service outages or third party security breaches to our platform or to one or more of our customers' platforms;

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- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of our business, operations and infrastructure;
- the timing and success of new product and service introductions by us or our competitors;
- the occurrence of significant events in a particular period that result in an increase in the use of our content delivery services and VAS, such as a major media event or a customer's online release of a new or updated video game;
- changes in our pricing policies or those of our competitors;
- the timing of recognizing revenue;
- limitations of the capacity of our global computing platform and related systems;
- the timing of costs related to the development or acquisition of technologies, services or businesses;
- the potential write-down or write-off of goodwill associated with business operations that have been disposed of, such as goodwill currently on our balance sheet associated with the initial acquisitions of EyeWonder and Chors;
- 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 our customers in order to limit their online expenses; and
- war, threat of war or terrorist actions, including cyber terrorism targeted broadly, at us, or our customers, or both, and inadequate cyber security.

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

We have a history of losses and we may not achieve or maintain profitability in the future.

Since 2006, we have been profitable only one year, which was as a result of a reversal of a significant reserve for litigation. Our adoption of ASC 718 (formerly FAS 123R) in 2006 substantially increased the amount of share-based compensation expense we record and has had a significant impact on our results of operations. This significant amount of share-based compensation expense reflects an increase in the level of stock options, restricted stock and restricted stock unit grants. Also, we have incurred, and continue to incur significant costs associated with litigation. Our share-based compensation expense and any material ongoing litigation costs could adversely affect our ability to achieve and maintain profitability in the future. While our revenue has grown in recent periods, this growth may not be sustainable and we may not achieve sufficient revenue to achieve or maintain profitability. We may incur significant losses in the future for a number of reasons, including slowing demand for our services, increasing competition, as well as other risks described herein, and we may encounter unforeseen expenses, difficulties, complications and delays, and other unknown factors. Accordingly, we may not be able to achieve or maintain profitability and we may continue to incur significant losses in the future, and this could cause the price of our common stock to decline.

We could incur charges due to impairment of goodwill and long-lived assets.

As of June 30, 2013 we had a goodwill balance of \$80.5 million, which is subject to periodic testing for impairment. Our long-lived assets also are subject to periodic testing for impairment. A significant amount of judgment is involved in the periodic testing. Failure to achieve sufficient levels of cash flow could result in impairment charges for goodwill or fixed asset impairment for long-lived assets, which could have a material adverse effect on our reported results of operations. Our goodwill impairment analysis also includes a comparison of the aggregate estimated fair value of our reporting unit to our total market capitalization. If our stock trades below our book value a significant and sustained decline in our stock price and market capitalization could result in goodwill impairment charges. During times of financial market volatility, significant judgment will be used to determine the underlying cause of the decline and whether stock price declines are short-term in nature or indicative of an event or change in circumstances. Impairment charges, if any, resulting from the periodic testing are non-cash.

We generate our revenue primarily from the sale of content delivery services, and the failure of the market for these services to expand as we expect or the reduction in spending on those services by our current or potential customers would seriously harm our business.

While we offer our customers a number of services and solutions associated with our global computing platform, we generate the majority of our revenue from charging our customers for the content delivered on their behalf through our global computing platform. We are 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 we expect or grows more slowly, then we may fail to achieve a return on the significant investment we are making to prepare for this growth. Our success, therefore, depends on the continued and increasing reliance on the Internet for delivery of media content and our 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, the amount of content consumed by our customers' users or the number of providers making this content available online include a general decline in Internet usage,

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litigation involving our customers and third party restrictions on online content, including copyright restrictions, digital rights management and restrictions in certain geographic regions, system impairments or outages, including those caused by hacking or cyber attacks, 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 our current or potential customers to reduce their spending on content delivery services, which would seriously harm our operating results and financial condition.

Many of our significant current and potential customers are pursuing emerging or unproven business models which, if unsuccessful, could lead to a substantial decline in demand for our content delivery services and VAS.

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 our 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 our top recent customers and are pursuing emerging strategies for monetizing the user content and traffic on their websites. Our customers will not continue to purchase our content delivery services and VAS if their investment in providing access to the media stored on or deliverable through our global computing platform does not generate a sufficient return on their investment. A reduction in spending on services by our current or potential customers would seriously harm our operating results and financial condition.

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

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

Our operations are dependent in part upon communications capacity provided by third party telecommunications providers. A material disruption of the communications capacity we have leased could harm our results of operations, reputation and customer relations.

We lease private line capacity for our backbone from a third party provider, Global Crossing. Our contracts for private line capacity with Global Crossing generally have terms of three to four years. The communications capacity we have leased may become unavailable for a variety of reasons, such as physical interruption, technical difficulties, contractual disputes, or the financial health of our third party provider. Further one of our direct competitors acquired Global Crossing. Although alternative providers are available, it would be time consuming and expensive to identify and obtain alternative third party connectivity, and accordingly we are dependent on Global Crossing in the near term. Failure of Global Crossing could jeopardize utilization of the service fees pre-paid by us under our agreement with Global Crossing. Additionally, as we grow, we anticipate requiring greater private line capacity than we currently have in place. If we are unable to obtain such capacity on terms commercially acceptable to us or at all, our business and financial results would suffer. We may not be able to deploy on a timely basis enough network capacity to meet the needs of our customer base or effectively manage demand for our services.

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

Our content delivery services depend on our 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 our or our customers' access to certain of these end-user access networks by restricting or prohibiting the use of their networks to support or facilitate our services, or by charging increased fees to us, our customers or end-users in connection with our services. This or other types of interference could result in a loss of existing customers, increased costs and impairment of our ability to attract new customers, thereby harming our revenue and growth.

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In addition, the performance of our infrastructure depends in part on the direct connection of our global computing platform to a large number of end-user access networks, known as peering, which we achieve through mutually beneficial cooperation with these networks. In some instances, network operators charge us for the peering connections. If, in the future, a significant percentage of these network operators elected to no longer peer with our network or peer with our network on less favorable economic terms, then the performance of our infrastructure could be diminished, our costs could increase and our business could suffer.

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

Our business depends on our ability to deliver media content in all major formats. If our 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, our ability to serve our customers in these formats would be impaired and the demand for our content delivery services and VAS 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 our use of such formats, which could lead to additional expenses for us and for our customers, or which could prevent our delivery of this type of content altogether. Such interference could result in a loss of existing customers, increased costs and impairment of our ability to attract new customers, which would harm our revenue, operating results and growth.

As part of our business strategy, we may acquire businesses or technologies and may have difficulty integrating these operations.

We have completed a number of business acquisitions in recent years and may seek to acquire businesses or technologies that are complementary to our business in the future. Acquisitions are often complex and involve a number of risks to our business, including the difficulty of integrating the operations, services, solutions and personnel of the acquired companies, the potential disruption of our ongoing business, the potential distraction of management, the possibility that our business culture and the business culture of the acquired companies will not be compatible, the difficulty of incorporating or integrating acquired technology and rights with or into our other services and solutions, expenses related to the acquisition and to the integration of the acquired companies, the impairment of relationships with employees and customers as a result of any integration of new personnel, risks related to the businesses of acquired companies that may continue to impact the businesses following the merger and potential unknown liabilities associated with acquired companies. Any inability to integrate services, solutions, operations or personnel in an efficient and timely manner could harm our results of operations.

In order to realize the expected benefits and synergies of our acquisition of acquired businesses, we must meet a number of significant challenges, including:

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

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 acquired organizations successfully could adversely affect our ability to maintain relationships with customers, suppliers and employees or to achieve the anticipated benefits of an acquisition. Even if we are able to integrate acquired business operations successfully, these integrations may not result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that may be possible from these integrations, and these benefits may not be achieved within a reasonable period of time.

If we are not successful in completing acquisitions that we may pursue in the future, we may be required to reevaluate our business strategy, and we may incur substantial expenses and devote significant management time and resources without a productive result. In addition, future acquisitions will require the use of our available cash or dilutive issuances of securities. Future acquisitions or attempted acquisitions could also harm our ability to achieve profitability. We may also experience significant turnover from the acquired operations or from our current operations as we integrate businesses.

If we are unable to retain our key employees and hire qualified sales and technical personnel, our ability to compete could be harmed.

Our future success depends upon the continued services of our executive officers and other key technology, sales, marketing and support personnel who have critical industry experience and relationships that they rely on in implementing our business plan. There is increasing competition for talented individuals with the specialized knowledge to deliver content delivery services and VAS and this competition affects both our ability to retain key employees and hire new ones. Historically, we have experienced a significant amount of employee turnover, especially with respect to our sales personnel. As a result, a significant number of our sales personnel are relatively new and may need time to become fully productive. The loss of the services of any of our key employees could disrupt our operations, delay the development and introduction of our services, and negatively impact our ability to sell our services.

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Our senior management team has limited experience working together as a group, and may not be able to manage our business effectively.

Four members of our senior management team, our President and Chief Executive Officer, Robert A. Lento, our Chief Operating Officer, Indu Kodukula, our Chief Marketing Officer, Charles Kirby Wadsworth, and our Chief Sales Officer, George E. Vonderhaar, have been hired by us since June 2012. In July 2013, our board of directors appointed Peter J. Perrone to serve as our Senior Vice President effective August 19, 2013, and as our Senior Vice President, Chief Financial Officer and Treasurer on such date as is determined by the Audit Committee of our board of directors, but in any event, no later than November 15, 2013. As a result, our senior management team has limited experience working together as a group. This lack of shared experience could harm our senior management team's ability to quickly and efficiently respond to problems and effectively manage our business.

We face risks associated with international operations that could harm our business.

We have operations in numerous foreign countries and may continue to expand our sales and support organizations internationally. As part of our growth strategy, we intend to expand our sales and support organizations internationally, as well as to further expand our international network infrastructure. Expansion could require us to make significant expenditures, including the hiring of local employees, in advance of generating any revenue. As a consequence, we may fail to achieve profitable operations that will compensate our investment in international locations. We are subject to a number of risks associated with international business activities that may increase our costs, lengthen our sales cycle and require significant management attention. These risks include:

- increased expenses associated with sales and marketing, deploying services and maintaining our infrastructure in foreign countries;
- competition from local content delivery service providers, many of which are very well positioned within their local markets;
- challenges caused by distance, language and cultural differences;
- unexpected changes in regulatory requirements preventing or limiting us from operating our global computing platform or resulting in unanticipated costs and delays;
- interpretations of laws or regulations that would subject us to regulatory supervision or, in the alternative, require us to exit a country, which could have a negative impact on the quality of our services or our 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 repatriation of funds;
- potentially adverse tax consequences;
- credit risk and higher levels of payment fraud; and
- foreign exchange controls that might prevent us from repatriating cash earned in countries outside the United States.

We are subject to the effects of fluctuations in foreign exchange rates, which could affect our operating results.

The financial condition and results of operations of our operating foreign subsidiaries are reported in the relevant local currency and are then translated into U.S. dollars at the applicable currency exchange rate for inclusion in our consolidated U.S. dollar financial statements. Also, although a large portion of our customer agreements are denominated in U.S. dollars, we may be exposed to fluctuations in foreign exchange rates with respect to customer agreements with certain of our international customers. Exchange rates between these currencies and U.S. dollars in recent years have fluctuated significantly and may do so in the future. In addition to currency translation risk, we incur currency transaction risk whenever one of our operating subsidiaries enters into a transaction using a different currency than the relevant local currency. Given the volatility of exchange rates, we may be unable to manage our currency transaction risks effectively. Currency fluctuations could have a material adverse effect on our future international sales and, consequently, on our financial condition and results of operations.

Internet-related and other laws relating to taxation issues, privacy, data security and consumer protection and liability for content distributed over our network, could harm our 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 ours. Increased regulation could negatively affect our business directly, as well as the businesses of our customers, which could reduce their demand for our services. For example, tax authorities abroad may impose taxes on the Internet-related revenue we generate based on where our internationally deployed servers are located. In addition, domestic and international taxation laws are subject to change. Our services, or the businesses of our customers, may become subject to increased taxation, which could harm our financial results either directly or by forcing our customers to scale back their operations and use of our services in order to maintain their operations. In addition, the laws relating to the liability of private network operators for

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information carried on, processed by 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. We may become subject to legal claims such as defamation, invasion of privacy and copyright infringement in connection with content stored on or distributed through our network. In addition, our reputation could suffer as a result of our perceived association with the type of content that some of our customers deliver. If we need to take costly measures to reduce our exposure to these risks, or are required to defend ourselves against such claims, our financial results could be negatively affected.

Several other federal laws also could expose us to liability and impose significant additional costs on us. For example, the Digital Millennium Copyright Act has provisions that limit, but do not eliminate, our liability for the delivery of customer content that infringe copyrights or other rights, so long as we comply with certain statutory requirements. 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. Also, there are emerging regulation and industry standards regarding the collection and use of personal information and protecting the security of data on networks. Compliance with these laws, regulations and standards is complex and any failure on our part to comply with these regulations may subject us to additional liabilities.

Privacy concerns could lead to legislative and other limitations on our ability to use "cookies" and video player "cookies" that are crucial to our ability to provide services to our customers.

Our ability to compile data for customers depends on the use of "cookies" and video player "cookies" to identify certain online behavior that allows our customers to measure a website or video's effectiveness. A cookie is a small file of information stored on a user's computer that allows us to recognize that user's browser or video player when the user makes a request for a web page or to play a video. Government authorities inside the United States concerned with the privacy of Internet users have suggested limiting or eliminating the use of cookies. Bills aimed at regulating the collection and use of personal data from Internet users are currently pending in United States 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, thereby creating restrictions that could reduce our 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.

Our 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 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 and in their video player software. Internet browser software upgrades also may result in limitations on the use of cookies. Technologies like the Platform for Privacy Preferences Project may limit collection of cookies. 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. We may be subject to such suits in the future, which could limit or eliminate our ability to collect such information. If our ability to use cookies were substantially restricted due to the foregoing, or for any other reason, we would have to generate and use other technology or methods that allow the gathering of user 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 our business. In addition, alternative technology or methods might not be available on commercially reasonable terms, if at all. If the use of cookies is prohibited and we are not able to efficiently and cost effectively create new technology, our 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 our customers' data could seriously limit the adoption of our service offerings as well as harm our reputation and brand, expose us to liability and subject us to reporting obligations under various state laws, which could have an adverse effect on our business. The risk that these types of events could seriously harm our business is likely to increase as the amount of data stored for customers on our servers and the number of countries where we operate has been increasing, and we may need to expend significant resources to protect against security breaches, which could have an adverse effect on our business, financial condition or results of operations.

If we are required to seek funding, such funding may not be available on acceptable terms or at all.

We may need to obtain funding due to a number of factors beyond our 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. We believe that our cash, cash equivalents and marketable securities classified as current plus cash from operations will be sufficient to fund our operations and proposed capital expenditures for at least the next 12 months. However, we

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may need or desire funding before such time. If we do need to obtain funding, it may not be available on commercially reasonable terms or at all. If we are unable to obtain sufficient funding, our business would be harmed. Even if we were able to find outside funding sources, we might be required to issue securities in a transaction that could be highly dilutive to our investors or we may be required to issue securities with greater rights than the securities we have outstanding today. We might also be required to take other actions that could lessen the value of our common stock, including borrowing money on terms that are not favorable to us. If we are unable to generate or raise capital that is sufficient to fund our operations, we may be required to curtail operations, reduce our capabilities or cease operations in certain jurisdictions or completely.

Our business requires the continued development of effective business support systems to support our customer growth and related services.

The growth of our business depends on our 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 and accurate billing for these services.

Because our business plan provides for continued growth in the number of customers that we serve and services offered, there is a need to continue to develop our 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 our ability to implement our business plans and meet our financial goals and objectives.

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

As a public company, we have incurred, and will continue to incur, significant accounting and other expenses that we 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 our independent directors. In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the Nasdaq Global Select Market, impose additional requirements on public companies, including requiring changes in corporate governance practices. For example, the listing requirements of the Nasdaq Global Select Market require that we satisfy 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. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased our 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 us to obtain director and officer liability insurance. These rules and regulations could also make it more difficult for us to identify and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

Divestiture of our businesses or product lines, including those that we have acquired or will acquire, may materially adversely affect our financial condition, results of operations or cash flows, or may result in impairment charges that may adversely affect our results of operations.

Divestitures involve risks, including difficulties in the separation of operations, services, products and personnel, the diversion of management's attention from other business concerns, the disruption of our business, the potential loss of key employees and the retention of uncertain contingent liabilities related to the divested business, any of which could result in a material adverse effect to our financial condition, results of operations or cash flows. Divestitures of previously acquired businesses may result in significant asset impairment charges, including those related to goodwill and other intangible assets, which could have a material adverse effect on our financial condition and results of operations. Future impairment may result from, among other things, deterioration in the performance of the acquired business or product line, adverse market conditions and changes in the competitive landscape, adverse changes in applicable laws or regulations, including changes that restrict the activities of the acquired business or product line, changes in accounting rules and regulations, and a variety of other circumstances. The amount of any impairment is recorded as a charge to the statement of operations. We may never realize the full value of our goodwill and intangible assets, and any determination requiring the write-off of a significant portion of these assets may have an adverse effect on our financial condition and results of operations. We cannot assure you that we will be successful in managing these or any other significant risks that we encounter in divesting a business or product line.

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

Increasing our customer base and achieving broader market acceptance of our services will depend to a significant extent on our ability to expand our sales and marketing operations. We have a concentration of our sales force at our headquarters in Tempe,

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Arizona but we also have a widely deployed field sales force. We are growing our sales force and realigning our sales resources to improve our sales productivity and efficiency and to bring our sales personnel closer to our current and potential customers. Growing and realigning sales force has been and will continue to be expensive and could cause some near-term productivity impairments. As a result, we may not be successful in growing and improving the productivity and efficiency of our sales force, which could cause our results of operations to suffer.

We believe that there is significant competition for both inside and direct sales personnel with the sales skills and technical knowledge that we require. Our ability to achieve significant growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of inside and direct sales personnel. New hires require significant training and, in most cases, take a significant period of time before they achieve full productivity. Our recent hires and planned hires may not become as productive as we would like, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business. Our business will be seriously harmed if our sales force expansion efforts do not generate a corresponding significant increase in revenue.

If the accounting estimates we make, and the assumptions on which we rely, in preparing our financial statements prove inaccurate, our actual results may be adversely affected.

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us 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 our assets, liabilities, revenue and expenses, the amounts of charges accrued by us, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. If our estimates or the assumptions underlying them are not correct, we may need to accrue additional charges or reduce the value of assets that could adversely affect our results of operations, investors may lose confidence in our ability to manage our business and our stock price could decline.

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

A change in accounting standards or practices can have a significant effect on our operating results and may affect our 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 our reported financial results or the way we conduct our business.

Risks Related to Ownership of Our Common Stock

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

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

- variations in our operating results;
- announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors;
- commencement or resolution of, our involvement in and uncertainties arising from, litigation, particularly our current litigation with Akamai and MIT;
- recruitment or departure of key personnel;
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to follow our common stock;
- developments or disputes concerning our intellectual property or other proprietary rights;
- the gain or loss of significant customers;
- market conditions in our industry, the industries of our customers and the economy as a whole; and
- adoption or modification of regulations, policies, procedures or programs applicable to our business.

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

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

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

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

As of June 30, 2013, our directors and executive officers and their affiliates beneficially owned, in the aggregate, approximately 42% of our outstanding common stock, including approximately 31% beneficially owned by investment entities affiliated with Goldman, Sachs & Co. These stockholders are 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 our company 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 us.

Future equity issuances or a sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

Because we may need to raise additional capital in the future to continue to expand our business and our research and development activities, among other things, we may conduct additional equity offerings. If we or our stockholders sell substantial amounts of our common stock (including shares issued upon the exercise of options and warrants) in the public market, the market price of our common stock could fall. A decline in the market price of our common stock could make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate.

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

Provisions of our amended and restated certificate of incorporation and bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us, even if doing so would benefit our stockholders. These provisions:

- establish that members of the board of directors may be removed only for cause upon the affirmative vote of stockholders owning a majority of our capital stock;
- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- limit who may call special meetings of stockholders;
- prohibit stockholder action by written consent, thereby requiring stockholder actions to be taken at a meeting of the stockholders;
- establish advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at stockholder meetings;
- provide for a board of directors with staggered terms; and
- provide that the authorized number of directors may be changed only by a resolution of our board of directors.

In addition, Section 203 of the Delaware General Corporation Law, which imposes certain restrictions relating to transactions with major stockholders, may discourage, delay or prevent a third party from acquiring us.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

ITEM 5. OTHER INFORMATION

Not applicable

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ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>				<u>Provided Herewith</u>
		<u>Form</u>	<u>File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>	
3.01	Amended and Restated Certificate of Incorporation of Limelight Networks, Inc.	8-K	001-33508	3.1	6/14/11	
3.02	Second Amended and Restated Bylaws of Limelight Networks, Inc.	8-K	001-33508	3.2	2/19/13	
10.11.03	Transition Agreement and Amendment No. 3 to Employment Agreement between the Registrant and Douglas S. Lindroth dated July 24, 2013.					X
10.23	Limelight Networks, Inc. 2013 Employee Stock Purchase Plan					X
10.24	Employment Agreement between the Registrant and Peter J. Perrone dated July 23, 2013.					X
31.1	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rule 13a-14(a).					X
31.2	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rule 13a-14(a).					X
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 and Securities Exchange Act Rule 13a-14(b).*					X
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 and Securities Exchange Act Rule 13a-14(b).*					X
101.INS	XBRL INSTANCE DOCUMENT					X
101.SCH	XBRL TAXONOMY EXTENSION SCHEMA DOCUMENT					X
101.CAL	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE DOCUMENT					X
101.DEF	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE DOCUMENT					X
101.LAB	XBRL TAXONOMY EXTENSION LABEL LINKBASE DOCUMENT					X
101.PRE	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE DOCUMENT					X

* This certification is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Limelight Networks, Inc. specifically incorporates it by reference.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIMELIGHT NETWORKS, INC.

Date: August 8, 2013

By: /s/ Douglas S. Lindroth
Douglas S. Lindroth
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

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Section 2: EX-10.11.03 (EX-10.11.03)

Exhibit 10.11.03

TRANSITION AGREEMENT

And

EMPLOYMENT AGREEMENT AMENDMENT

This Transition Agreement and Employment Agreement Amendment (“Agreement”) is made as of the 19th day of July, 2013 (the “Effective Date”) by and between Douglas Lindroth (“Executive”) and Limelight Networks, Inc. (the “Company”) (collectively referred to as the “Parties” or individually referred to as a “Party”).

RECITALS

- A. The Company and Executive entered into that certain Employment Agreement dated as of October 14, 2008 (the “Original Agreement”) which was subsequently amended as of December 30, 2008 (the “First Amendment”) and also amended as of December 3, 2012 (the “Second Amendment”). The term “Employment Agreement” as used herein means the Original Agreement as amended by both the First and Second Amendments. Employee and the Company also entered into an At-will Employment, Confidential Information Invention Assignment and Arbitration Agreement dated as of October 14, 2008, (the “Inventions Agreement”) and an Indemnification Agreement dated as of October 14, 2008, (the “Indemnity Agreement”).
- B. The Company and Executive intend that Executive’s employment with the Company will terminate without cause effective as of the end of mutually agreed transition period as described in this Agreement.
- C. The Parties also intend to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Executive may have against the Company, including, but not limited to, any and all claims arising out of or in any way related to Executive’s employment with or termination of his employment with the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive agree as follows:

1. **Definitions.** The following terms will have the following meanings as used in this Agreement. Also, defined terms identified with an initial capital letter and not defined in this Agreement will have the meaning given those defined terms in the Employment Agreement.
 - a. **Transition Period** means the period beginning on the Effective Date and ending on the earlier of the date the Company files its periodic report on Form 10Q for its third fiscal quarter 2013 or November 15, 2013.
 - b. **Expiration Date** means the earlier of (i) the expiration of the Transition Period, (ii) the date the Company and Executive agree that Executive’s employment will end, or (iii) the date the Company terminates Executive’s employment without Cause.

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- c. Early Termination Date means the date prior to the Expiration Date but after the Q2 Earnings Date that Executive voluntarily resigns his employment whether with or without Good Reason.
 - d. Q2 Earnings Date means the date the Company files its periodic report on Form 10Q for its second fiscal quarter 2013.
 - e. Equity Awards has the meaning given that term in Section 3(c)(ii) of the Employment Agreement.
 - f. Section 10 (a) of the Employment Agreement, entitled "Cause" is hereby amended during the Transition Period to read in its entirety as follows:

"(a) Cause. For purposes of this Agreement, "Cause" will mean:

- (i) Acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Executive with respect to Executive's obligations under this Agreement or otherwise relating to the business of Company;
- (ii) Any act of personal dishonesty taken by Executive in connection with his responsibilities as an Executive of the Company with the intention or reasonable expectation that such action may result in the substantial personal enrichment of Executive;
- (iii) A breach of a fiduciary duty by means of embezzlement or any criminal misconduct that has a material detrimental effect on the Company's reputation or business;
- (iv) Executive (A) obstructing or impeding; (B) endeavoring to obstruct, impede or improperly influence, or (C) failing to materially cooperate with, any investigation authorized by the Board or any governmental or self-regulatory entity (an "Investigation"). However, Executive's failure to waive attorney-client privilege relating to communications with Executive's own attorney in connection with an Investigation will not constitute "Cause"."

The Company will not attempt to terminate Executive for Cause pursuant to subsections (iii) and (iv) above without first providing Executive with written notice of the event that the Company believes constitutes Cause, specifically identifying the acts or omissions constituting the grounds for Cause and a reasonable cure period of not less than twenty (20) days.

- 2. Performance of Duties During Transition Period. During the Transition Period and through the Expiration Date or the Early Termination Date, as the case may be, Executive will continue to perform all of his duties and responsibilities as Senior Vice President, Chief Financial Officer and Treasurer, including performance of his role as Principal Accounting Officer and Principal Financial Officer and signing any filings with the Securities and Exchange Commission, provided however the parties intend and expect that certain of Executive's duties and responsibilities may be transitioned (including his title and duties and

responsibilities as CFO, Treasurer and PAO) to his successor or another person prior to the Expiration Date or Early Termination Date at such time as his successor believes he is adequately trained and prepared to assume such duties and responsibilities. Executive will work diligently and in good faith to train and prepare his successor to assume the responsibilities of Chief Financial Officer and Treasurer and to effect a smooth transition of his duties and responsibilities to his successor. Executive's employment will terminate on the earlier of the Expiration Date, the Early Termination Date, or Executive's termination by the Company for Cause.

3. Termination on the Expiration Date. If Executive's employment terminates without Cause on the Expiration Date, then, subject to Section 8 (release of claims), Executive will receive: (i) unpaid Base Salary accrued through the Expiration Date plus Base Salary from the Expiration Date that would have accrued through the end of the month following the month in which the Expiration Date occurs but in no event beyond November 15, 2013; (ii) pay for accrued but unused vacation; (iii) benefits or compensation as provided under the terms of any executive benefit and compensation agreements or plans applicable to Executive through the effective date of termination; (iv) unreimbursed business expenses required to be reimbursed to Executive, including without limitation the expenses related to Executive relocating personal items from Phoenix to San Diego; (v) rights to indemnification Executive may have under the Company's Certificate of Incorporation, Bylaws, this Agreement, and/or the Indemnity Agreement, as applicable; (vi) an amount equal to twelve (12) months of Executive's Base Salary of \$337,459.00; (vii) an amount equal to 100% of Executive's Target Annual Incentive for 2013 of \$208,500.00; (viii) reimbursement for premiums paid for continued health benefits for Executive (and any eligible dependents) under the Company's health plans until the earlier of (A) twelve (12) months, payable when such premiums are due (provided Executive validly elects to continue coverage under COBRA), or (B) the date upon which Executive and Executive's eligible dependents become covered under similar plans; (ix) accelerated vesting of that portion of Executive's then outstanding and unvested Equity Awards that would otherwise vest by their terms on or before December 31, 2013. Subject to IRC section, the amounts in subsections (vi) and (vii) above will be paid in a lump sum within seven (7) days following the effective date of the Release referenced in Section 8 below.
4. Termination on the Early Termination Date. If Executive's employment terminates without Cause on an Early Termination Date, then, subject to Section 8, Executive will receive: (i) unpaid Base Salary accrued through the Early Termination Date; (ii) pay for accrued but unused vacation; (iii) benefits or compensation as provided under the terms of any executive benefit and compensation agreements or plans applicable to Executive through the effective date of termination; (iv) unreimbursed business expenses required to be reimbursed to Executive, including without limitation the expenses related to Executive relocating personal items from Phoenix to San Diego; (v) rights to indemnification Executive may have under the Company's Certificate of Incorporation, Bylaws, this Agreement, and/or the Indemnity Agreement, as applicable; (vi) an amount equal to twelve (12) months of Executive's Base Salary of \$337,459.00; (vii) a prorated portion of Executive's Target Annual Incentive for 2013 of \$208,500.00 (calculated multiplying the Target Annual Incentive by a fraction the numerator of which is the number of days between January 1, 2013 and the Early Termination Date and the denominator of which is 365); (viii) reimbursement for premiums paid for continued health benefits for Executive (and any eligible dependents) under the Company's health plans until the earlier of (A) twelve (12) months, payable when such premiums are due (provided Executive validly elects to continue coverage under COBRA), or (B) the date upon which Executive and Executive's eligible dependents become covered under similar plans; (ix) accelerated vesting of that portion of Executive's then outstanding and unvested Equity Awards that would otherwise vest by their terms on or before

September 1, 2013; and (x) provided the Early Termination Date is after September 1, 2013, also accelerated vesting of a prorated portion of Executive's then outstanding and unvested Equity Awards that would otherwise vest after September 1, but on or before December 31, 2013 (calculated by multiplying each such Equity Award vesting by a fraction the numerator of which is the number of days between September 1, 2013 and the Early Termination Date and the denominator of which is 90). Subject to IRC section 409A, the amounts in subsections (vi) and (vii) above will be paid in a lump sum within seven (7) days following the effective date of the Release referenced in Section 7 below.

5. Discretionary Acceleration of Certain Equity Awards. If Executive's employment terminates without Cause on the Expiration Date (under section 3 above), then either before or within fifteen (15) days following the Expiration Date the Company's Audit Committee will evaluate Executive's performance of his duties and responsibilities during the Transition Period, considering among such other factors as it deems relevant Executive's good faith efforts to prepare his successor to assume the CFO duties and his efforts to assure a smooth transition of CFO responsibilities to his successor, and will decide whether to approve the accelerated vesting of that portion of Executive's then unvested Equity Awards that would otherwise vest according to their terms on or after January 1, 2014 and on or before June 1, 2014 assuming Executive had remained a Service Provider through such period (the "Discretionary Awards"), or any portion thereof. For purposes of this section only, Executive will remain a Service Provider to the Company (but without further compensation, duties, responsibilities or liability) and available to respond to questions regarding his former role after the Expiration Date until the date the Audit Committee completes its evaluation and determination regarding the discretionary acceleration of the Discretionary Awards as provided in this section.
6. Extended Exercise Period. If Executive's employment terminates without Cause on either the Expiration Date or an Early Termination Date, then Executive will be entitled to exercise any outstanding vested stock options until the first to occur of: (i) December 31, 2014, (ii) the applicable scheduled expiration date of such award (in the absence of any termination of employment) as set forth in the award agreement, or (iii) the ten (10) year anniversary of the award's original date of grant. For purposes of clarity, the term "expiration date" shall be the scheduled expiration of the option agreement and not the period that Executive shall be entitled to exercise such option.
7. Termination for Cause, Voluntary Termination prior to Q2 Earnings Date or Voluntary Termination for Good Reason. If Executive voluntarily terminates his employment prior to the Q2 Earnings Date, Executive shall be entitled to such benefits as are identified for a termination without Cause contained in the Employment Agreement and this Agreement shall be of no force or effect. If Executive is terminated for Cause, pursuant to Section 1(f) above, Executive shall be entitled to such benefits as are identified for a termination for Cause contained in the Employment Agreement and this Agreement shall be of no force or effect. If Executive voluntarily terminates his employment for Good Reason before the Q2 Earnings Date then Executive shall be entitled to such benefits as are identified for a termination for Good Reason contained in the Employment Agreement and this Agreement shall be of not force or effect. If Executive voluntarily terminates his employment for Good Reason after the Q2 Earnings Date but before the Expiration Date then Executive shall be entitled to the benefits described in Section 3 above. Executive will provide the Company written notice of his intent to resign for Good Reason which notice will describe in detail the facts or events for such Good Reason within 15 calendar days of the occurrence of the facts or events, and the Company shall have a period of not less than thirty (30) calendar days to cure such facts or events and thereby obviate the basis for Executive's resignation for Good Reason.

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8. Release of Claims. The receipt of any benefits pursuant to Sections 3(vi) – (ix), 4(vi) – (x), 5, 6 or 7 is subject to and conditioned upon Executive signing and not revoking a release of claims in a form reasonably acceptable to the Company (and substantially in the form attached hereto as Exhibit A) and honoring all continuing covenants in this Agreement, the Employment Agreement (including without limitation the provisions of section 8 thereof) and the Inventions Agreement. No severance or other benefits pursuant to those provisions will be paid or provided until the release of claims becomes effective.
 9. Change of Control. Unless a Change of Control occurs prior to the Expiration Date or Early Termination Date, as applicable, Executive acknowledges and agrees that his termination of employment is not In Connection With a Change of Control.
 10. Reimbursement of Legal Fees. The Company will reimburse Executive up to \$4,000 for legal fees actually incurred by Executive for legal advice in connection with the review of this Agreement.
 11. Letter of Recommendation. If Executive continues to perform his duties in good faith and to the best of his abilities throughout the Transition Period, the Company will provide a favorable letter of recommendation for Executive if and when requested.
 12. Amendment of Employment Agreement. This Agreement amends the Employment Agreement and supersedes the Employment Agreement to the extent provisions between the documents are inconsistent, and in particular, this Agreement supersedes the provisions of section 7 of the Employment Agreement regarding severance benefits. For the avoidance of doubt, if Executive is entitled to any benefits under this Agreement, Executive shall not be entitled to any different or additional benefits under the Employment Agreement. Except to the extent amended or superseded the provisions of the Employment Agreement remain in full force. The provisions of the Employment Agreement that are not amended or superseded by this Agreement are applicable to, and incorporated into, this Agreement, including sections 12, 14, 15 and 17 through 24 of the Employment Agreement.
 13. Integration. This Agreement, together with the Employment Agreement, Inventions Agreement, Indemnity Agreement and the forms of equity award agreements that describe Executive's outstanding equity awards, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral.
 14. Notices. Section 13 of the Employment Agreement, Notices, is amended to include the following updated address for notices to the Company:

222 So. Mill Ave.
Suite 800
Tempe, Arizona 85281
Attn: Senior Director of Human Resources
If to Executive:
P.O. Box 315, Rancho Santa Fe, CA 92067.

In witness whereof, this Agreement has been signed as of the day and year first above written.

COMPANY:
LIMELIGHT NETWORKS, INC.

/s/ Robert Lento
Robert Lento, Chief Executive Officer

Date: July 24, 2013

EXECUTIVE:

/s/ Douglas Lindroth
Douglas Lindroth

Date: July 23, 2013

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Section 3: EX-10.23 (EX-10.23)

Exhibit 10.23

LIMELIGHT NETWORKS, INC.
2013 EMPLOYEE STOCK PURCHASE PLAN
(as amended June 17, 2013)

1. **Purpose.** The purpose of the Plan is to provide employees of the Company and its Designated Subsidiaries with an opportunity to purchase Common Stock through accumulated Contributions (as defined in Section 2(j) below). The Company's intention is to have the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code.

2. **Definitions.**

(a) "**Administrator**" means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.

(b) "**Applicable Laws**" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where options are, or will be, granted under the Plan.

(c) "**Board**" means the Board of Directors of the Company.

(d) "**Change in Control**" means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" means directors who either (A) are Directors as of the effective date of the Plan, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but will not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company); or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

For the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(e) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or U.S. Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(f) "Committee" means a committee of the Board appointed in accordance with Section 14 hereof.

(g) "Common Stock" means the common stock of the Company.

(h) "Company" means Limelight Networks, Inc., a Delaware corporation, or any successor thereto.

(i) "Compensation" means an Eligible Employee's base straight time gross earnings, exclusive of payments for commissions, overtime and shift premium, incentive compensation, bonuses and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

(j) "Contributions" means the payroll deductions and other additional payments that the Company may permit to be made by a Participant to fund the exercise of options granted pursuant to the Plan.

(k) "Designated Subsidiary" means any Subsidiary that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan.

(l) "Director" means a member of the Board.

(m) "Eligible Employee" means any individual who is a common law employee of the Company or a Designated Subsidiary and is customarily employed for at least twenty (20) hours per week and more than five (5) months in any calendar year by the Employer, or any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under applicable local law) for purposes of any separate Offering. For purposes of the Plan, the employment

relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws. Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering in an identical manner to all highly compensated individuals of the Employer whose Employees are participating in that Offering. Each exclusion shall be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii). Except as required by Applicable Law, any time-based eligibility requirements will be determined as of the Enrollment Date of the applicable Offering Period.

(n) "Employer" means the employer of the applicable Eligible Employee(s).

(o) "Enrollment Date" means the first Trading Day of each Offering Period.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(q) "Exercise Date" means the last Trading Day of each Offering Period. The first Exercise Date under the Plan will be December 2, 2013.

(r) "Fair Market Value" means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, its Fair Market Value will be the closing sales price for such stock as quoted on such exchange or system on the date of determination (or the closing bid, if no sales were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

(s) “New Exercise Date” means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

(t) “Offering” means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(u) “Offering Periods” means the periods of approximately six (6) months during which an option granted pursuant to the Plan may be exercised, (i) commencing on the first Trading Day on or after June 1 and December 1 of each year and terminating on the first Trading Day on or after December 1 and June 1, approximately six (6) months later; provided, however, that the first Offering Period under the Plan will commence on August 15, 2013, subject to the approval of the Plan by the stockholders of the Company at the 2013 Annual Meeting of Stockholders, and the first Exercise Date under the Plan will be December 2, 2013, and provided, further, that the second Offering Period under the Plan will commence on December 2, 2013. The duration and timing of Offering Periods may be changed pursuant to Sections 4 and 20.

(v) “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.

(w) “Participant” means an Eligible Employee that participates in the Plan.

(x) “Plan” means this Limelight Networks, Inc. 2013 Employee Stock Purchase Plan.

(y) “Purchase Price” means an amount equal to eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code (or any successor rule or provision or any other applicable law, regulation or stock exchange rule) or pursuant to Section 20.

(z) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

(aa) "Trading Day" means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

(bb) "U.S. Treasury Regulations" means the Treasury regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

3. Eligibility.

(a) Offering Periods. Any Eligible Employee on a given Enrollment Date will be eligible to participate in the Plan, subject to the requirements of Section 5.

(b) Non-U.S. Employees. Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in the Plan or an Offering if the participation of such employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code.

(c) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate, which exceeds twenty-five thousand dollars (\$25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

4. Offering Periods. The Plan will be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after June 1 and December 1 each year; provided, however, that the first Offering Period under the Plan will commence on August 15, 2013, subject to the approval of the Plan by the stockholders of the Company at the 2013 Annual Meeting of Stockholders, and the first Exercise Date under the Plan will be December 2, 2013, and provided, further, that the second Offering Period under the Plan will commence on December 2, 2013. The Administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter.

5. Participation. An Eligible Employee may participate in the Plan by (i) submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to an applicable Enrollment Date, a properly completed subscription agreement authorizing Contributions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure determined by the Administrator.

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have payroll deductions made on each pay day or other Contributions (to the extent permitted by the Administrator) made during the Offering Period in an amount not exceeding fifteen percent (15%) of the Compensation, which he or she receives on each pay day during the Offering Period; provided, however, that should a pay day occur on an Exercise Date, a Participant will have any payroll deductions made on such day applied to his or her account under the subsequent Offering Period. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior to each Exercise Date of each Offering Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) Payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day prior to the Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10 hereof; provided, however, that for the first Offering Period, payroll deductions will commence on the first pay day on or following a date determined by the Administrator.

(c) All Contributions made for a Participant will be credited to his or her account under the Plan and payroll deductions will be made in whole percentages only. A Participant may not make any additional payments into such account.

(d) A Participant may discontinue his or her participation in the Plan as provided in Section 10. If permitted by the Administrator, as determined in its sole discretion, for an Offering Period, a Participant may increase or decrease the rate of his or her Contributions during the Offering Period by (i) properly completing and submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to an applicable Exercise Date, a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose, or (ii) following an electronic or other procedure prescribed by the Administrator. If a Participant has not followed such procedures to change the rate of Contributions, the rate of his or her Contributions will continue at the originally elected rate throughout the Offering Period and future Offering Periods (unless terminated as provided in Section 10). The Administrator may, in its sole discretion, limit the nature and/or number of Contribution rate changes that may be made by Participants during any Offering Period, and may establish such other conditions or limitations as it deems appropriate for Plan administration. Any change in payroll deduction rate made pursuant to this Section 6(d) will be effective as of the first full payroll period following five (5) business days after the date on which the change is made by the Participant (unless the Administrator, in its sole discretion, elects to process a given change in payroll deduction rate more quickly).

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(c), a Participant's Contributions may be decreased to zero percent (0%) at any time during an Offering Period. Subject to Section 423(b)(8) of the Code and Section 3(c) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Offering Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.

(f) Notwithstanding any provisions to the contrary in the Plan, the Administrator may allow Eligible Employees to participate in the Plan via cash contributions instead of payroll deductions if (i) payroll deductions are not permitted under applicable local law, and (ii) the Administrator determines that cash contributions are permissible under Section 423 of the Code.

(g) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for the Company's or Employer's federal, state, local or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social security or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock (or any other time that a taxable event related to the Plan occurs). At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Eligible Employee. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or any other method of withholding the Company or the Employer deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

7. Grant of Option. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Offering Period more than 3,750 shares of the Company's Common Stock (subject to any adjustment pursuant to Section 19) and provided further that such purchase will be subject to the limitations set forth in Sections 3(c) and 13. The Eligible Employee may accept the grant of such option by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Offering Period. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Offering Period, subject to earlier withdrawal by the Participant as provided in Section 10. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 20. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 9.

10. Withdrawal.

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose, or (ii) following an electronic or other withdrawal procedure determined by the Administrator. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A Participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

11. Termination of Employment. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such Participant's option will be automatically terminated.

12. Interest. No interest will accrue on the Contributions of a participant in the Plan, except as may be required by applicable law, as determined by the Company, and if so required by the laws of a particular jurisdiction, shall apply to all Participants in the relevant Offering except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19 hereof, the maximum number of shares of Common Stock that will be made available for sale under the Plan will be 4,000,000 shares of Common Stock.

(b) Until the shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a Participant will only have the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Shares of Common Stock to be delivered to a Participant under the Plan will be registered in the name of the Participant or in the name of the Participant and his or her spouse.

14. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to designate separate Offerings under the Plan, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan (including, without limitation, to adopt such procedures and sub-plans as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan). Unless otherwise determined by the Administrator, the Eligible Employees eligible to participate in each sub-plan will participate in a separate Offering. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

15. Designation of Beneficiary.

(a) If permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the Participant at any time by notice in a form determined by the Administrator. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time. Notwithstanding Sections 15(a) and (b) above, the Company and/or the Administrator may decide not to permit such designations by Participants in non-U.S. jurisdictions to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

16. Transferability. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

17. Use of Funds. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings in which applicable local law requires that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party for Participants in non-U.S. jurisdictions. Until shares of Common Stock are issued, Participants will only have the rights of an unsecured creditor with respect to such shares.

18. Reports. Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

19. Adjustments, Dissolution, Liquidation, Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period shall end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

20. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 19). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under local laws, as further set forth in Section 12 hereof) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 20(a), the Administrator will be entitled to change the Offering Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period by setting a New Exercise Date, including an Offering Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and

(v) reducing the maximum number of Shares a Participant may purchase during any Offering Period.

Such modifications or amendments will not require stockholder approval or the consent of any Plan Participants.

21. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Code Section 409A. The Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted to so be exempt from Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Code Section 409A.

24. Term of Plan. The Plan will become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It will continue in effect until terminated under Section 20.

25. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

26. Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Arizona (except its choice-of-law provisions).

27. Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

EXHIBIT A-1
LIMELIGHT NETWORKS, INC.
2013 EMPLOYEE STOCK PURCHASE PLAN
SUBSCRIPTION AGREEMENT

_____ Original Application

Offering Period Date: _____

_____ Change in Payroll Deduction Rate

1. _____ hereby elects to participate in the Limelight Networks, Inc. 2013 Employee Stock Purchase Plan (the “Plan”) and subscribes to purchase shares of the Company’s Common Stock in accordance with this Subscription Agreement and the Plan.

2. I hereby authorize payroll deductions from each paycheck in the amount of _____% of my Compensation on each payday (from 0 to 15%) during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)

3. I understand that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option and purchase Common Stock under the Plan.

4. I have received a copy of the complete Plan and its accompanying prospectus. I understand that my participation in the Plan is in all respects subject to the terms of the Plan.

5. Shares of Common Stock purchased for me under the Plan should be issued in the name(s) of _____ (Eligible Employee or Eligible Employee and Spouse only).

6. I understand that if I dispose of any shares received by me pursuant to the Plan within two (2) years after the offering date (the first day of the Offering Period during which I purchased such shares) or one (1) year after the Exercise Date, I will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased by me over the price that I paid for the shares. I hereby agree to notify the Company in writing within thirty (30) days after the date of any disposition of my shares and I will make adequate provision for Federal, state or other tax withholding obligations, if any, which arise upon the disposition of the Common Stock. The Company may, but will not be obligated to, withhold from my compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by me. If I dispose of such shares at any time after the expiration of the two (2)-year and one (1)-year holding periods, I understand that I will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (a) the excess

of the fair market value of the shares at the time of such disposition over the purchase price which I paid for the shares, or (b) 15% of the fair market value of the shares on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

7. I hereby agree to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Plan.

Employee's Social

Security Number:

Employee's Address:

I UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

Dated: _____

Signature of Employee

EXHIBIT A-2
LIMELIGHT NETWORKS, INC.
2013 EMPLOYEE STOCK PURCHASE PLAN
SUBSCRIPTION AGREEMENT

_____ Original Application
_____ Change in Payroll Deduction Rate

Offering Period Date: _____

1. I hereby elect to participate in the Limelight Networks, Inc. 2013 Employee Stock Purchase Plan (the “Plan”) and subscribe to purchase shares of the Company’s Common Stock in accordance with this Subscription Agreement and the Plan.
2. I hereby authorize payroll deductions from each paycheck in the amount of 0 to 15% of my Compensation on each payday during the Offering Period in accordance with the Plan. (Please note that the exact percentage of payroll deduction, between 0-15% of Compensation, is to be authorized during this enrollment process. Please further note that no fractional percentages are permitted.)
3. I understand that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option and purchase Common Stock under the Plan.
4. I have received a copy of the complete Plan and its accompanying prospectus. I understand that my participation in the Plan is in all respects subject to the terms of the Plan.
5. Shares of Common Stock purchased for me under the Plan will be issued in my name.
6. The Company shall assess tax and social insurance liability and requirements in connection with my participation in the Plan, including, without limitation, tax liability associated with the subscription, purchase, or sale of shares acquired under the Plan (the “Tax Liability”). These requirements may change from time to time as laws or interpretations change. Regardless of the Company’s actions in this regard, I hereby acknowledge and agree that the Tax Liability shall be my responsibility and liability.
7. I agree as a condition of my participation in the Plan to make arrangements satisfactory to the Company to enable it to satisfy all withholding, payment and/or collection requirements associated with the satisfaction of the Tax Liability, including authorizing the Company to: (i) withhold all applicable amounts from my wages or other cash compensation due to me, in accordance with any tax or other requirements under the laws, rules, and regulations of the country of which I am a resident (“Local Law”), and (ii) act as my agent to sell sufficient shares for the proceeds to settle such requirements. Furthermore, I agree to pay the Company any amount the Company may be required to withhold, collect or pay as a result of my participation in the Plan or that cannot be satisfied by deduction from the my wages or other cash compensation paid to me by the Company or sale of the shares acquired under the Plan. I acknowledge that I may not participate in the Plan unless the tax withholding, payment and/or collection obligations of the Company are satisfied.

8. I understand that the Company may hold certain personal information about me, including but not limited to my name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all rights to purchase or any other entitlement to shares awarded, canceled, purchased or outstanding in my favor, for the purpose of implementing, administering or managing the Plan (the “Data”). I further understand that Data may be transferred to any third parties, including, but not limited to, the Company’s third party service provider assisting the Company in the administration of the Plan. I understand that these recipients may be located within or outside my country of residence, or elsewhere, and that the recipient’s country may have different data privacy laws and protections than my country of residence. I authorize the Company or the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering or managing my participation in the Plan, including any requisite transfer of the Data as may be required for the administration of the Plan and/or the subsequent holding of shares on my behalf to a broker or other third party with whom I may elect to deposit any shares acquired pursuant to the Plan. I understand that the Data will be held only as long as necessary to implement, administer or manage my participation in the Plan. I understand that I may, at any time, review the Data, require any necessary amendments to Data or withdraw the consents herein in writing by contacting the Company. I understand that withdrawing my consent may affect my ability to participate in the Plan.

9. By signing this Subscription Agreement and participating in the Plan, I agree and acknowledge that: (a) the Plan is discretionary in nature and the Company can amend, cancel, or terminate the Plan at any time; (b) participation in the Plan is voluntary and occasional, and does not create any contractual or other future rights to purchase shares, or benefits in lieu of such rights; (c) my right to purchase shares under the Plan ceases upon my termination of employment for any reason except as may otherwise be explicitly provided in this Subscription Agreement and the Plan; (d) my right to participate in the Plan and to purchase shares under the Plan, if any, will cease as of the date that I am no longer actively performing services following the provision of a notification of termination or resignation from employment or services, regardless of any reasonable notice period mandated under local law, without reference to any other agreement, written or oral, express or implied, including my contract of employment; (e) my participation in the Plan is voluntary; (e) my right to purchase shares under the Plan is an extraordinary item of compensation, which is outside the scope of my employment agreement, if any; (f) my right to purchase shares under the Plan is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments; (g) the future value of the shares purchased under the Plan is unknown and cannot be predicted with certainty, and the Company makes no express or implied promise about the financial gain or loss to be achieved through participation in the Plan; (h) the right to participate in the Plan has been granted to me in my status as an employee of my employer and can in no event be understood or interpreted to mean that an entity other

than my employer has an employment relationship with me; (i) no claim or entitlement to compensation or damages arises from the diminution in value of the right to purchase shares under the Plan, or shares purchased under the Plan, and if I did acquire any such rights, I am deemed to have irrevocably released the Company and/or my employer subsidiary from any such claim or entitlement that may arise by participating in the Plan; and (j) neither the Plan nor this Subscription Agreement shall obligate my employer to employ me for any particular length of time nor confer any right with respect to continuing my status as an employee.

10. I understand that the exercise of a purchase right to receive shares under the Plan and the issuance, transfer, assignment, sale, or other dealings of such shares shall be subject to compliance by the Company and me with all applicable requirements of Local Law. Furthermore, I agree that I will not acquire shares of Common Stock pursuant to the Plan except in compliance with all requirements of Local Law.

11. I agree and acknowledge that I shall bear any and all risk associated with the exchange or fluctuation of currency in connection with my participation in the Plan, including without limitation the purchase of shares or the sale of shares (the "Currency Exchange Risk"). I waive and release the Company and its subsidiaries from any potential claims arising out of the Currency Exchange Risk.

12. I agree and acknowledge that I shall comply with any and all exchange control requirements applicable to my participation in the Plan and the sale of shares and any resulting funds including, without limitation, reporting or repatriation requirements.

13. I agree that the Company and its subsidiaries are not responsible for my compliance with legal requirements relating to my participation in the Plan and my subsequent ownership and possible sale of the shares, including, but not limited to, tax reporting, the exchange of local currency into or from U.S. dollars, the transfer of funds to the U.S., and the opening and using of a U.S. brokerage account.

14. I agree that if at any time the Company will determine, in its discretion, that the listing, registration or qualification of the shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of shares to me (or my estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company.

15. I agree that if this Subscription Agreement or any other document related to the operation of the Plan is translated into a language other than English, and if the translated version is different from the English language version, the English language version will take precedence.

16. I agree that the Company may, in its sole discretion, decide to deliver any documents related to my participation in the Plan by electronic means or request my consent to participate in the Plan by electronic means. I hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. I hereby agree to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Plan.

I UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

Dated: _____

Signature of Employee

EXHIBIT B

LIMELIGHT NETWORKS, INC.

2013 EMPLOYEE STOCK PURCHASE PLAN

NOTICE OF WITHDRAWAL

The undersigned participant in the Offering Period of the Limelight Networks, Inc. 2013 Employee Stock Purchase Plan that began on _____, _____ hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be automatically terminated. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

Signature:

Date: _____

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Section 4: EX-10.24 (EX-10.24)

Exhibit 10.24

LIMELIGHT NETWORKS, INC.

PETER PERRONE EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of July 23, 2013 (the "Signing Date"), by and between Limelight Networks, Inc. (the "Company") and Peter J. Perrone ("Executive").

1. Duties and Scope of Employment.

(a) Positions and Duties. On or before August 19, 2013 Executive will commence service as the Company's Senior Vice President, and on or before [November 10, 2013] Executive will also commence service as the Company's Chief Financial Officer and Treasurer. The date upon which Executive actually commences full time employment as Senior Vice President will be the "Effective Date". Executive will report to the Company's Chief Executive Officer (the "CEO"). As of the Effective Date, Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company, as will reasonably be assigned to him by the CEO or the Company's Board of Directors (the "Board"). The period Executive is employed by the Company under this Agreement is referred to herein as the "Employment Term." Executive will be based in San Francisco, California but will spend such time in the Company's Tempe, Arizona office and will travel on Company business to such other locations and for such periods, as may be necessary or appropriate to carry out his responsibilities or as may be directed by the CEO.

(b) Obligations. During the Employment Term, Executive, except as provided in this Agreement, will devote Executive's full business efforts and time to the Company and will use good faith efforts to discharge Executive's obligations under this Agreement to the best of Executive's ability and in accordance with each of the Company's written corporate guidance and ethics guidelines, conflict of interests policies, code of conduct and other policies and procedures as the Company may adopt from time to time. For the duration of the Employment Term, Executive agrees not to actively engage in any other employment, occupation, or consulting activity for any direct or indirect remuneration without the prior approval of the CEO (which approval will not be unreasonably withheld); provided, however, that Executive may, without the approval of the CEO, serve in any capacity with any civic, educational, professional, industry or charitable organization, provided such services do not interfere with Executive's performance of his obligations to Company and are otherwise consistent with the Company's policies.. Subject to prior approval of the CEO and in appropriate cases (as determined by the Company) approval of the Audit Committee of the Company's board (which approval will not be unreasonably withheld) Executive may also serve on the board(s) of for-profit business associations provided such participation does not interfere with Executive's performance of his obligations to the Company, are disclosed in writing to the Company, are consistent with the terms of Executive's employment with the Company (including without limitation the restrictive covenants in the Confidential Information Agreement, as defined in Section 12 below) and are consistent with the Company's policies (including without limitation the Company's Code of Business Conduct). Notwithstanding the foregoing, the Company acknowledges that Executive currently serves on the board of directors for the following

entities: [_____]. Executive represents that his service on those boards does not violate this Section 1(b).

(c) No Conflicts. Executive hereby represents, warrants and covenants to the Company that as of the Effective Time, Executive will not be a party to any contract, understanding, agreement or policy, written or otherwise, that will be breached by Executive's entering into, or performing services under, this Agreement. Executive further represents that he has disclosed to the Company in writing all threatened, pending, or actual claims that are unresolved and still outstanding as of the Signing Date, in each case, against Executive of which he is aware, if any, as a result of his employment with any previous employer or his membership on any boards of directors.

(d) Other Entities. Executive agrees to serve if appointed, without additional compensation, as an officer and director for each of the Company's subsidiaries, partnerships, joint ventures, limited liability companies and other affiliates, including entities in which the Company has a significant investment as determined by the Company. As used in this Agreement, the term "affiliates" will mean any entity controlled by, controlling, or under common control of the Company.

(e) Board Membership. Concurrently with the effectiveness of this Agreement, Executive will tender his resignation from the Board.

2. At-Will Employment. Executive and the Company agree that Executive's employment with the Company constitutes "at-will" employment. Executive and the Company acknowledge that this employment relationship may be terminated at any time, upon written notice (in accordance with Section 14, below) to the other party, with or without good cause or for any or no cause, at the option either of the Company or Executive. However, as described in this Agreement, Executive may be entitled to severance benefits depending upon the circumstances of Executive's termination of employment.

3. Compensation.

(a) Base Salary. Commencing with the Effective Date, the Company will pay Executive an annual salary of \$325,000 as compensation for his services (such annual salary, as is then effective, to be referred to herein as "Base Salary"). Executive's Base Salary will be subject to annual review. The Base Salary will be paid periodically in accordance with the Company's normal payroll practices and will be subject to the usual, required withholdings.

(b) Annual Incentive. Executive will be eligible to receive annual cash incentives payable for the achievement of performance goals established by the Board or by the Compensation Committee of the Board (the "Committee"). During calendar year 2013, Executive's target annual incentive ("Target Annual Incentive") will be \$200,000. The Target Annual Incentive for 2013 shall be prorated for the portion of calendar year 2013 during which Executive is an employee of the Company. The actual earned annual cash incentive, if any, payable to Executive for any performance period will depend upon the extent to which the applicable performance goal(s) specified by the Committee are achieved. Any annual cash incentives earned pursuant to this Section 3(b) will be paid to Executive as soon as reasonably practicable following the date on which such annual cash incentives are earned, but in no event will be paid later than March 15 of the year following the year in which such annual cash incentives are earned. To be eligible to receive the earned annual cash incentive payment, Executive must be an employee of the Company on the actual bonus payment date, provided however Executive will remain eligible to receive his annual cash incentive amount if he is terminated by the Company without Cause or Executive resigns with Good Reason after December 31 of the year to which the annual cash incentive payment relates and before the actual bonus payment date. For clarity, Executive will not be eligible for an annual cash incentive payment if he voluntarily resigns without Good Reason or is terminated for Cause prior to the actual bonus payment date.

(c) Equity Awards.

(i) On the grant date set by the Committee, the Company will issue to Executive 350,000 Restricted Stock Units (“RSUs”) and one million (1,000,000) non-qualified stock options (“Stock Options”) pursuant to the Company’s 2007 Equity Incentive Plan (the “Plan”). The Company will address approval of the equity awards described in this Section 3(c) on or before the Effective Date. The RSUs and Stock Options will be granted under and subject to the terms, definitions and provisions of the Plan and the Company’s form of equity award agreement. The exercise price of the Stock Options will be the fair market value of the Company’s common shares (as defined in the Plan) on the grant date (which will be the date the grant is approved by the Committee or such later day as may be set by the Committee in accordance with the Company’s Equity Award Policy). One-quarter (1/4th) of the RSUs will vest on the first anniversary of the Effective Date, and one-sixteenth (1/16th) will vest on December 1, 2014 and an additional one-sixteenth (1/16th) will vest on the first day of each March, June, September and December thereafter until all of the RSUs have vested (four years), provided Executive continues to be a Service Provider through each such vesting date. One-quarter (1/4th) of the Stock Options will also vest on the first anniversary of the Effective Date, and one-forty-eighth (1/48th) of the Stock Options will vest on the 1st day of [October], 2014 and on the 1st day of each month thereafter until all of the Stock Options have vested (four years), provided Executive continues to be a Service Provider through each such vesting date.

(ii) On the grant date set by the Committee, the Company will grant Executive one-hundred-thousand (100,000) Restricted Stock Units (the “Initial RSUs”) under the Plan. The Initial RSUs will fully vest thirty (30) days after the Effective Date, and will be subject to the terms and conditions of the Plan and the written RSU Agreement governing the award.

(iii) Executive may from time to time be issued additional stock options, RSUs or other equity awards under the Plan or a successor plan. Such awards together with the equity awards referenced in this Agreement may be referred to in this Agreement as “Equity Awards.”

(iv) In the event that the Company consummates a Change of Control (as defined below) transaction, 50% of Executive’s then outstanding unvested Equity Awards will vest immediately. In the event Executive’s employment is terminated in Connection with a Change of Control (as defined below), the balance of Executive’s then outstanding Equity Awards may vest as provided in Section 7(b) below, with such vesting being applied in reverse order such that the Equity Awards with the latest vesting first become non-forfeitable under this provision, provided that there remain at least six (6) months of vesting term after application of this reverse order vesting.

(d) Attorneys’ Fees. Executive shall be entitled to receive reimbursement from the Company for the actual, reasonable attorneys’ fees and costs incurred by him in connection with the review and negotiation of this Agreement not to exceed five thousand (\$5,000) dollars.

4. Employee Benefits.

(a) Generally. Executive will be eligible to participate in accordance with the terms of all Company employee benefit plans, policies, arrangements and perquisites that are applicable to other senior officers of the Company.

(b) Vacation. Executive will be entitled to receive paid annual vacation in accordance with Company policy for other vice president level officers, but with vacation accrual of not less than five (5) weeks per year.

5. Expenses. The Company will reimburse Executive for reasonable travel, (including business or first class airfare), entertainment and other business expenses, including professional association fees, incurred by Executive in the furtherance of the performance of Executive's duties hereunder. Executive is expected to travel frequently to the Company's Tempe, Arizona and other offices. All reimbursements to Executive by the Company pursuant to this Section 5 shall be in accordance with the Company's expense reimbursement policy as in effect from time to time.

6. Termination of Employment. In the event Executive's employment with the Company terminates for any reason, Executive will be entitled to any (a) unpaid Base Salary accrued up to the effective date of termination; (b) pay for accrued but unused vacation; (c) benefits or compensation as provided under the terms of any employee benefit and compensation agreements or plans applicable to Executive; (d) unreimbursed business expenses required to be reimbursed to Executive; and (e) rights to indemnification Executive may have under the Company's Certificate of Incorporation, Bylaws, this Agreement and the Indemnification Agreement (as defined below) as applicable. In the event Executive's employment with the Company terminates for any reason (other than Cause, as defined below), Executive will be entitled to exercise any outstanding vested stock options until the first to occur of: (i) the date that is one (1) year following the later of such termination of employment or the date upon which Executive ceases to be a Service Provider (as defined in the Plan), (ii) the applicable scheduled expiration date of such award (in the absence of any termination of employment) as set forth in the applicable award agreement, or (iii) the ten (10) year anniversary of the award's original date of grant. For purposes of clarity, the term "expiration date" shall be the scheduled expiration of the option agreement and not the period that Executive shall be entitled to exercise such option. In addition, if the termination is by the Company without Cause or resignation by Executive for Good Reason (as defined below), Executive will be entitled to the amounts and benefits specified in Section 7.

7. Severance.

(a) Termination Without Cause or Resignation for Good Reason other than in Connection with a Change of Control. If Executive's employment is terminated by the Company without Cause or Executive terminates voluntarily for Good Reason and such termination is not in Connection with a Change of Control, then, subject to Section 8, Executive will receive: (i) continued payment of Executive's Base Salary (subject to applicable tax withholdings) for twelve (12) months, such amounts to be paid in accordance with the Company's normal payroll policies; (ii) the actual earned cash incentive, if any, payable to Executive for the current year, pro-rated to the date of termination, with such pro-rated amount to be calculated by multiplying the actually earned portion of the current year's Target Annual Incentive by a fraction with a numerator equal to the number of days inclusive between the start of the current calendar year and the date of termination and a denominator equal to 365, such amounts to be paid at the same time as similar bonus payments are made to the Company's other executive officers, and (iii) reimbursement for premiums paid for continued health benefits for Executive (and any eligible dependents) under the Company's health plans until the earlier of (A) twelve (12) months, payable when such premiums are due (provided Executive validly elects to continue coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA")), or (B) the date upon which Executive and Executive's eligible dependents become covered under similar plans. For purposes of clarity, the Compensation Committee of the Board of Directors shall determine, in good faith, the extent to which any cash incentive has been earned by Executive.

(b) Termination Without Cause or Resignation for Good Reason in Connection with a Change of Control. If Executive's employment is terminated by the Company without Cause or Executive terminates voluntarily for Good Reason and the termination is in Connection with a Change of Control, then, subject to Section 8, Executive will receive: (i) continued payment of Executive's Base Salary for the year in which the termination occurs (subject to applicable tax withholdings), for twelve (12) months, such amounts to be paid in accordance with the Company's normal payroll policies; (ii) the payment in an amount equal to 100% of Executive's Target Annual Incentive for the year in which the

termination occurs (subject to applicable tax withholdings), with such amount to be paid on the first payroll date following the sixtieth (60th) day following the termination date; (iii) 100% of Executive's then outstanding unvested Equity Awards will vest, and (iv) reimbursement for premiums paid for continued health benefits for Executive (and any eligible dependents) under the Company's health plans until the earlier of (A) twelve (12) months, payable when such premiums are due (provided Executive validly elects to continue coverage under COBRA), or (B) the date upon which Executive and Executive's eligible dependents become covered under similar plans.

(c) Resignation Other than for Good Reason or Termination for Cause; Termination Due to Death or Disability. If Executive resigns other than for Good Reason or the Company terminates Executive's employment for Cause, then, except as provided in Section 6, (i) all further vesting of Executive's outstanding Equity Awards will terminate immediately and stock options shall be exercisable as provided in Section 6; (ii) all payments of compensation by the Company to Executive hereunder will terminate immediately, and (iii) Executive will be eligible for severance benefits only in accordance with the Company's then established plans. In the event that Executive's employment is terminated due to death or Disability, twenty-five percent (25%) of Executive's then unvested Equity Awards shall vest.

8. Conditions to Receipt of Severance: No Duty to Mitigate.

(a) Separation Agreement and Release of Claims. The receipt of any severance or other benefits pursuant to Section 7(a) or 7(b) will be subject to Executive signing and not revoking a separation agreement and release of claims substantially in the form appended hereto as Exhibit A (the "Release") and provided that the Release becomes effective and irrevocable no later than sixty (60) days following the termination date (such deadline, the "Release Deadline"). The Company shall deliver the Release in final version to Executive within five (5) business days after the date of termination. No severance or other benefits pursuant to Section 7(a) or 7(b) will be paid or provided until the Release becomes effective and irrevocable. If the Release does not become effective by the Release Deadline, Executive will forfeit any rights to severance or benefits under this Agreement. Any severance payments or benefits under this Agreement that would be considered Deferred Compensation Severance Benefits (as defined in Section 24), will be paid on, or, in the case of installments, will not commence until, the sixtieth (60th) day following Executive's "separation from service", or, if later, such time as required by Section 24. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's "separation from service" but for the preceding sentence will be paid to Executive on the sixtieth (60th) day following Executive's "separation from service" and the remaining payments will be made as provided in this Agreement. If Executive should die before all of the severance amounts have been paid, such unpaid amounts will be paid in a lump-sum payment promptly following such event to Executive's designated beneficiary, if living, or otherwise to the personal representative of Executive's estate.

(b) Non-solicitation of Employees. The receipt of any severance or other benefits pursuant to Section 7(a) or 7(b) is subject to Executive agreeing that during the Employment Term and for twelve (12) months thereafter, Executive will comply with all of the restrictive covenants contained in the Confidential Information Agreement (as defined in Section 12 below), including without limitation, the non-solicitation of employees covenant contained in Section 5 of the Confidential Information Agreement.

(c) Nondisparagement. During the Employment Term and for twelve (12) months thereafter, Executive and the Company in its official communications will not knowingly and materially disparage, criticize, or otherwise make any derogatory statements regarding the other. The Company will instruct its officers and directors to not knowingly and materially disparage, criticize, or otherwise make any derogatory statements regarding Executive. Notwithstanding the foregoing, nothing contained in this

agreement will be deemed to restrict Executive, the Company or any of the Company's current or former officers and/or directors from providing factual information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent they are requested or required to provide such information pursuant to applicable order, subpoena, law or regulation or Executive from making truthful statements in the course of his employment with the Company.

(d) Other Requirements. Executive's receipt of continued severance payments pursuant to Section 7(a) or 7(b) will be subject to Executive continuing to comply with the terms of the Confidential Information Agreement and the provisions of this Section 8, to the extent consistent with Section 409A (as defined below).

(e) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

9. Excise Tax. In the event that the benefits provided for in this Agreement constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and will be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Executive's severance benefits payable under the terms of this Agreement will be either (a) delivered in full, or (b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to the Excise Tax, **whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits**. Any reduction in payments and/or benefits required by this Section 9 will occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of Equity Awards; and (3) reduction of other benefits paid or provided to Executive, provided that, within any such category of benefits (that is, (1), (2), or (3) of this sentence), a reduction shall occur first with respect to amounts that are not deferred compensation subject to Section 409A of the Code and then with respect to amounts that are. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for Executive's Equity Awards. If two or more Equity Awards are granted on the same date, each award will be reduced on a pro-rata basis.

10. Definitions.

(a) Cause. For purposes of this Agreement, "Cause" will mean:

(i) Acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Executive with respect to Executive's obligations under this Agreement or otherwise relating to the business of the Company, or failure or refusal, after written notice thereof from the CEO and an opportunity to cure of at least 10 business days, to carry out lawful directions from the CEO with respect to Executive's obligations under this Agreement or relating to the performance of obligations or duties consistent with Executive's then current position;

(ii) Any act of personal dishonesty taken by Executive in connection with his responsibilities as an employee of the Company with the intention or reasonable expectation that such action may result in the substantial personal enrichment of Executive;

(iii) Executive's conviction of, or plea of nolo contendere to, a felony that the Board reasonably believes has had or will have a material detrimental effect on the Company's reputation or business;

(iv) A breach of any fiduciary duty owed to the Company by Executive that has a material detrimental effect on the Company's reputation or business;

(v) Executive being found liable in any Securities and Exchange Commission or other civil or criminal securities law action or entering any cease and desist order with respect to such action (regardless of whether or not Executive admits or denies liability);

(vi) Executive (A) obstructing or impeding; (B) endeavoring to obstruct, impede or improperly influence, or (C) failing to materially cooperate with, any investigation authorized by the Board or any governmental or self-regulatory entity (an "Investigation"). However, Executive's failure to waive attorney-client privilege relating to communications with Executive's own attorney in connection with an Investigation will not constitute "Cause"; or

(vii) Executive's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement or Executive's loss of any governmental or self-regulatory license that is reasonably necessary for Executive to perform his responsibilities to the Company under this Agreement, if (A) the disqualification, bar or loss continues for more than thirty (30) days, and (B) during that period the Company uses its good faith efforts to cause the disqualification or bar to be lifted or the license replaced. While any disqualification, bar or loss continues during Executive's employment, Executive will serve in the capacity contemplated by this Agreement to whatever extent legally permissible and, if Executive's employment is not permissible, Executive will be placed on leave (which will be paid to the extent legally permissible).

(b) Change of Control. For purposes of this Agreement, "Change of Control" will mean the occurrence of any of the following events:

(i) The consummation by the Company of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(ii) The approval by the stockholders of the Company, or if stockholder approval is not required, approval by the Board, of a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than Goldman Sachs and its related funds and entities, becoming the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities.

(c) Disability. For purposes of this Agreement, "Disability" will mean Executive's absence from his responsibilities with the Company on a full-time basis for 120 calendar days in any consecutive twelve (12) month period as a result of Executive's mental or physical illness or injury.

(d) In Connection with a Change of Control. For purposes of this Agreement, a termination of Executive's employment with the Company is "in Connection with a Change of Control" if Executive's employment is terminated within three (3) months prior to the execution of an agreement that results in a Change of Control or twelve (12) months following a Change of Control.

(e) Good Reason. For purposes of this Agreement, “Good Reason” means Executive’s voluntary resignation of employment because of the existence of any of the following reasons and which reason(s) continue following the expiration of any cure period (as discussed below), without Executive’s written consent:

(i) A substantial, material reduction without his consent of the Executive’s title, authority, duties, or responsibilities from those in effect immediately prior to the reduction, or a material adverse change in the Executive’s reporting responsibilities, provided however a sale, separation or spin-off of a portion of the Company’s business operations provided the Company remains a going concern and provided Executive’s duties, position and responsibilities with respect to the remaining business operations are not materially reduced will also not be considered a basis for Good Reason resignation;

(ii) A material reduction in Executive’s cash compensation (either Base Salary, or Base Salary and Annual Incentive Target combined) as in effect immediately prior to such reduction. Notwithstanding the foregoing, a one-time reduction that also is applied to other similarly situated executive officers of the Company and which one-time reduction reduces the cash compensation by a percentage reduction of 10% or less in the aggregate will not be deemed material and will not constitute “Good Reason”;

(iii) A failure by the Company to require any successor entity to the Company specifically to assume all of the Company’s obligations to the Executive under this Agreement;

(iv) A material breach by the Company (or its successor) of any material contractual obligation owed Executive pursuant to this Agreement (including, without limitation, the failure of the Company to obtain the assumption of this Agreement by a successor) that is not cured following notice and a reasonable cure period as provided below; or

(v) The relocation of the Executive to a facility or a location more than fifty (50) miles from Executive’s then current location (that is, a requirement that Executive re-locate his permanent residence to a location other than greater San Francisco Bay area), it being recognized that Executive will be required to travel extensively and be present in the Company’s San Francisco, CA and Tempe, AZ offices consistently in performance of his business duties.

Executive will not resign for Good Reason without first providing the Company with written notice within thirty (30) days of the event that Executive believes constitutes “Good Reason” specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days.

11. Indemnification. Subject to applicable law, Executive will be provided indemnification to the maximum extent permitted by the Company’s Certificate of Incorporation, Bylaws and an Indemnification Agreement between Executive and Company of even date herewith (the “Indemnification Agreement”). Executive will be provided directors and officers insurance coverage, on terms no less favorable than provided to any other Company executive officer or director.

12. Confidential Information. Executive will execute or if previously executed hereby re-affirms the form of At-Will Employment, Confidential Information, Inventions Assignment and Arbitration Agreement, appended hereto as Exhibit B (the “Confidential Information Agreement”). In the event of any inconsistency between the terms of this Agreement and the terms of the Confidential Information Agreement, this Agreement will prevail.

13. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of Executive's right to compensation or other benefits will be null and void. This Section 13 will in no way prevent Executive from transferring any vested property he owns.

14. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally; (b) one (1) day after being sent overnight by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing:

If to the Company:

222 South Mill Ave., Suite 800

Tempe, Arizona 85281

Attn: Senior Director of Human Resources

With copy to:

222 South Mill Ave., Suite 800

Tempe, Arizona 85281

Attn: Chief Legal Officer

If to Executive:

at the last residential address known by the Company.

With a copy to

Ted Wang, Esq.

Fenwick & West LLP

801 California Street

Mountain View, CA 94102

15. Severability. If any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision.

16. Arbitration. The parties agree that any and all disputes arising out of the terms of this Agreement, Executive's employment by the Company, Executive's service as an officer or director of the Company, or Executive's compensation and benefits, their interpretation and any of the matters herein released, will be subject to binding arbitration in accordance with the terms of section 12 of the Confidential Information Agreement. The Parties further agree that the prevailing party in any arbitration will be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. **The parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury.** This paragraph will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their dispute relating to Executive's obligations under this Agreement and the Confidential Information Agreement.

17. Integration. This Agreement, together with the Confidential Information Agreement, the Indemnification Agreement between the Company and Executive and the forms of equity award agreements that describe Executive's outstanding Equity Awards, represents the entire agreement and understanding between the parties as to the subject matter herein and supersede all prior or contemporaneous agreements, whether written or oral. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in a writing and signed by duly authorized representatives of the parties hereto. In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise, or understanding that is not in this Agreement. To the extent that any provisions of this Agreement conflict with those of any other agreement to be signed upon Executive's hire, the terms in this Agreement will prevail.

18. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

19. Survival. The Confidential Information Agreement and the Company's and Executive's responsibilities under Sections 6, 7, 8, 11 and 12 will survive the termination of this Agreement.

20. Headings. All captions and Section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

21. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

22. Governing Law. This Agreement will be governed by the laws of the state of California without regard to its conflict of laws provisions.

23. Acknowledgment. Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

24. Code Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, no severance payable to Executive, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered nonqualified deferred compensation under Section 409A of the Code and the final regulations and any guidance promulgated thereunder (“Section 409A”) (together, the “Deferred Compensation Separation Benefits”) will be payable until Executive has a “separation from service” within the meaning of Section 409A.

(b) Notwithstanding anything to the contrary in this Agreement, if Executive is a “specified employee” within the meaning of Section 409A at the time of Executive’s termination (other than due to death), then the Deferred Compensation Separation Benefits that are payable within the first six (6) months following Executive’s separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive’s separation from service. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive’s separation from service but prior to the six (6) month anniversary of the separation, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive’s death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(c) Any amount paid under this Agreement that satisfies the requirements of the “short-term deferral” rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above.

(d) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit will not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above. For purposes of this Agreement, “Section 409A Limit” will mean the lesser of two (2) times: (i) Executive’s annualized compensation based upon the annual rate of pay paid to Executive during the Company’s taxable year preceding the Company’s taxable year of Executive’s termination of employment as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive’s employment is terminated.

(e) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.”

25. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by a duly authorized officer, as of the day and year written below.

COMPANY:

LIMELIGHT NETWORKS, INC.

/s/ Robert Lento
Robert Lento, CEO

Date: July 23, 2013

EXECUTIVE:

/s/ Peter J. Perrone
Peter J. Perrone

Date: July 23, 2013

[SIGNATURE PAGE TO PERRONE EMPLOYMENT AGREEMENT]

Exhibit A

FORM OF SEPARATION AGREEMENT AND RELEASE OF CLAIMS

Exhibit B

FORM OF CONFIDENTIAL INFORMATION AGREEMENT

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Section 5: EX-31.1 (EX-31.1)

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Robert A. Lento, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Limelight Networks, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial

information; and

- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

By: /s/ Robert A. Lento

Robert A. Lento
President, Chief Executive Officer and Director
(Principal Executive Officer)

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Section 6: EX-31.2 (EX-31.2)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Douglas S. Lindroth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Limelight Networks, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

By: /s/ Douglas S. Lindroth

Douglas S. Lindroth
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

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Section 7: EX-32.1 (EX-32.1)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

Pursuant to
18 U.S.C. Section 1350,
As Adopted pursuant to

Section 906 of the Sarbanes-Oxley Act of 2002

I, Robert A. Lento, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Limelight Networks, Inc. on Form 10-Q for the period ended June 30, 2013, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Limelight Networks, Inc.

Date: August 8, 2013

By: /s/ Robert A. Lento

Robert A. Lento
President, Chief Executive Officer and Director
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Limelight Networks, Inc. and will be retained by, Limelight Networks Inc. and furnished to the Securities and Exchange Commission or its staff upon request. This certification “accompanies” the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

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Section 8: EX-32.2 (EX-32.2)

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to
18 U.S.C. Section 1350,
As Adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Douglas S. Lindroth, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Limelight Networks, Inc. on Form 10-Q for the period ended June 30, 2013, fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Limelight Networks, Inc.

Date: August 8, 2013

By: /s/ Douglas S. Lindroth

Douglas S. Lindroth
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Limelight Networks, Inc. and will be retained by, Limelight Networks Inc. and furnished to the Securities and Exchange Commission or its staff upon request. This certification “accompanies” the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

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