

NRG ENERGY, INC.  
Form 425  
October 29, 2008  
Filed by Exelon Corporation

(Commission File No. 1-16169)

Pursuant to Rule 425 under the Securities

Act of 1933

Subject Company:

NRG Energy, Inc.

(Commission File No. 1-15891)

Safe Harbor Statement

This filing does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This filing relates to a transaction with NRG proposed by Exelon, which may become the subject of a registration statement filed with the Securities and Exchange Commission (the SEC). This material is not a substitute for the prospectus/proxy statement Exelon Corporation intends to file with the SEC regarding the proposed transaction or for any other document which Exelon may file with the SEC and send to Exelon or NRG stockholders in connection with the proposed transaction. **INVESTORS AND SECURITY HOLDERS OF EXELON AND NRG ARE URGED TO READ ANY SUCH DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Investors and security holders will be able to obtain free copies of any documents filed with the SEC by Exelon through the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov). Free copies of any such documents can also be obtained by directing a request to the Exelon Investor Relations Department, Exelon Corporation, 10 South Dearborn, Chicago, Illinois 60603.

Exelon and its directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Exelon's directors and executive officers is available in its Annual Report on Form 10-K for the year ended December 31, 2007, which was filed with the SEC on February 7, 2008, and its proxy statement for its 2008 Annual Meeting of Shareholders, which was filed with the SEC on March 20, 2008. Other information regarding the participants in a proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in a proxy statement filed in connection with the proposed transaction.

All information in this filing concerning NRG, including its business, operations, and financial results, was obtained from public sources. While Exelon has no knowledge that any such information is inaccurate or incomplete, Exelon has not had the opportunity to verify any of that information.

This filing includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans and expected synergies. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. The factors that could cause actual results to differ materially from these forward-looking statements include Exelon's ability to achieve the synergies contemplated by the proposed transaction, Exelon's ability to promptly and effectively integrate the businesses of NRG and Exelon, and the timing to consummate the proposed

transaction and obtain required regulatory approvals as well as those discussed in (1) Exelon's 2007 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 19; (2) Exelon's Third Quarter 2008 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 12; and (3) other factors discussed in Exelon's filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this filing. Exelon does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this filing.

\* \* \* \* \*

On October 29, 2009, Exelon began meeting with investors to discuss the proposed NRG transaction. The press release that Exelon issued and the presentation used in the meetings are attached to this filing.

\* \* \* \* \*

Press release:

**Exelon Details the Value Creation Opportunities in an Exelon-NRG Combination**

*Exelon points to financial strength and growth potential for shareholders of both companies*

**CHICAGO (Oct. 29, 2008)** Exelon Corporation (NYSE:EXC) today filed with the Securities and Exchange Commission and posted to its Web site a presentation for investors with additional details on the value that would be created by its offer to acquire all of the outstanding common stock of NRG Energy, Inc. (NYSE:NRG) in an all-stock transaction.

The combination creates clear and compelling value for both Exelon and NRG shareholders, said Chris Crane, president and COO, Exelon. It provides earnings and cash accretion, an exceptional growth platform, operations in the most attractive markets, and a strong balance sheet.

In its presentation, Exelon shared the following benefits:

Based on analyst consensus estimates, the deal will be accretive in the first full year following closing.

The transaction provides potential value creation through synergies of \$1.5 to \$3 billion, reflecting an annual reduction in operating expenses of the combined company of 3%-5%.

The combined company brings together NRG's high-quality fossil fleet with Exelon's world-class nuclear fleet, which will have requisite scope, scale and financial strength to succeed in an increasingly volatile energy market.

The combined company will continue to rely on low-cost and less volatile fuel sources, including uranium, as well as Powder River Basin and lignite coals, which account for roughly 90% of the generation of the combined companies.

Geographically complementary assets will give the combined company nationwide reach and access to attractive markets in the U.S.

The combination provides a clear path for improving the combined company's credit metrics and balance sheet strength over the next three years.

NRG shareholders will participate in the value to be created through the immediate premium, synergies to be created, and the upside potential in the combined company's stock.

Regulatory hurdles can be reasonably addressed without sacrificing the substantial value that makes the transaction powerful. An Exelon-NRG combination also provides Exelon with an opportunity to take the next step in advancing the company's commitment to address climate change. In July, the company launched *Exelon 2020: A Low-Carbon Roadmap*, a comprehensive plan to reduce, offset or displace 15 million metric tons of greenhouse gas emissions per year by 2020. Exelon not only will continue with this commitment, but also will apply its industry leadership to NRG's fleet, particularly its coal plants.

This is the right deal at the right time, for both companies and both sets of shareholders, based on compelling strategic, operational, and financial value drivers," said John W. Rowe, chairman and CEO, Exelon. "We will continue to move diligently but expeditiously toward completing the proposed transaction.

The presentation can be accessed at [www.exeloncorp.com/investor](http://www.exeloncorp.com/investor).

###

*Exelon Corporation is one of the nation's largest electric utilities with nearly \$19 billion in annual revenues. The company has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon distributes electricity to approximately 5.4 million customers in northern Illinois and Pennsylvania and natural gas to 480,000 customers in the Philadelphia area. Exelon is headquartered in Chicago and trades on the NYSE under the ticker EXC.*

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Presentation:

Exelon + NRG: A Compelling  
Opportunity for Value Creation  
Investor Meetings

#### Forward-Looking Statements

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This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans and expected synergies. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements herein. The factors that could cause actual results to differ materially from these forward-

looking statements include Exelon Corporation's ability to achieve the synergies contemplated by the proposed transaction, Exelon's ability to promptly and effectively integrate the businesses of NRG Energy, Inc. and Exelon, and the timing to consummate the proposed transaction and obtain required regulatory approvals as well as those discussed herein and those discussed in (1) Exelon's 2007 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 19; (2) Exelon's Third Quarter 2008 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 12; and (3) other factors discussed in filings with the Securities and Exchange Commission by Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, and PECO Energy Company (Companies). Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. None of the Companies undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

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Combined Entity Creates Value By:

Providing earnings and cash accretion

Creating an exceptional growth platform

Operating in the most attractive markets

Utilizing a premier balance sheet

Allowing Exelon to unlock NRG's value

Giving NRG's shareholders the opportunity to participate in future value

Presenting manageable regulatory hurdles to close

1. Earnings and Cash Accretion

Transaction Is Accretive  
Operating  
Earnings  
per share  
Free cash flow  
per share

\$3.98  
\$4.59  
\$4.62  
2010E  
2011E  
2012E  
\$3.03  
\$3.02  
\$4.23  
2010E  
2011E  
2012E  
\$2.55  
N/A  
N/A  
2010E  
2011E  
2012E  
\$4.53  
\$6.25  
\$6.46  
2010E  
2011E  
2012E  
\$3.63  
N/A  
N/A  
2010E  
2011E  
2012E  
42.5%  
\$4.96  
\$6.37  
\$6.80  
2010E  
2011E  
2012E  
9.5%  
1.9%  
5.3%

Based on analyst consensus estimates for both companies, the deal will be accretive in the first full year following closing.

Exelon

NRG

Pro forma

4

Synergies

Increased interest

expense

5

1. Does not include purchase accounting. One-time cost to achieve of \$100 million (pre-tax) and transaction and other costs of million excluded.

2. Free cash flow defined as cash flow from operations less capital expenditures.

3. Based solely on I/B/E/S estimates for Exelon and NRG as of 10/21/08. Not necessarily representative of either company's forecasts. Provided for illustration only. Not intended as earnings guidance or as a forecast of expected results.

4. Numbers in Exelon's internal forecasts are somewhat lower and accretion is approximately breakeven in 2011.

Synergies

Increased interest

expense

1

2

Combination Creates Substantial Synergies

Exelon

Operations & Maintenance:

\$4,289

NRG

Maintenance & Other Opex:

\$950

General & Admin Expenses:

\$309

Other COGS:

\$454

Pro Forma

Combined Non-fuel Expenses:

\$6,002

Estimated Annual Cost Savings:

\$180 -

\$300

% of Combined Expenses:

3%-5%

Costs to Achieve

\$100

NPV of Synergies:

\$1,500-\$3,000

6

(\$ in Millions)

Transaction creates

\$1.5

\$3 billion of value

through synergies

with

opportunity for more

1. Company 10-K for 2007 and investor presentations.

2. Based on a preliminary analysis of publicly available information. Subject to due diligence investigation.

1

2

1



Gas price is long-term price in 2008 \$/MMBtu, new build cost is long-term combined cycle cost in PJM in 2008 overnight \$/kwh, year is year in which national cap and trade starts, carbon price is in 2012 \$/tonne assuming 7% escalation, moderate recession assumes conditions consistent with current forward prices, and severe recession assumes five years of no load growth.

Clear Value under Multiple Scenarios

Value

Gas Prices

New Build Costs

Carbon Year/Price

Recession

\$0

\$6.50

\$1,300

Moderate

2014/\$22

\$7.30

\$1,100

Moderate

2020/\$22

\$7.10

\$1,100

Severe

2014/\$22

\$7.30

\$1,500

Moderate

2012/\$12

\$8.60

\$1,500

Moderate

7

Long-term Value To Exelon Shareholders

We look at fundamental value creation under a wide range of future commodity price scenarios and our analysis suggests \$1-3 billion, possibly more.

8  
NRG is Best Investment Available  
0%  
4.0%  
8.0%  
12.0%  
16.0%

0.0%

5.0%

10.0%

15.0%

20.0%

25.0%

(10.0%)

0%

5.0%

20.0%

EBITDA / EV Yield

Earnings Yield

Free Cash Flow Yield

EXC

Illustrative

Utilities<sup>1</sup>

NRG at

Offer

2009E

2010E

8.0

10.3

12.0

10.9

8.3

11.5

12.1

11.5

IPPs<sup>2</sup>

EXC

Illustrative

Utilities<sup>1</sup>

NRG at

Offer

IPPs<sup>2</sup>

EXC

Illustrative

Utilities<sup>1</sup>

NRG at

Offer

IPPs<sup>2</sup>

13.9

15.1

20.1

17.2

14.8

16.2

20.3

17.2

Source: FactSet. Prices as of 10/17/08, I/B/E/S estimates as of 10/21/08.

1. Illustrative Utilities include CMS, CNL, DPL, TE, WEC, WR.

2. IPPs include CPN, DYN, MIR, RRI.

4.4

(4.0)

11.1

11.4

4.7

(5.8)

14.1

15.0

15.0%

10.0%

(5.0%)

## 2. Exceptional Growth Platform

Pro Forma

Exelon

10

Combined company will have  
requisite scope, scale and  
financial strength to succeed in an  
increasingly volatile energy market

Pro Forma Quick Stats

(\$s in millions)

Combined assets

1

\$73,500

LTM EBITDA

2

\$8,000

Market cap

3

\$40,500

Enterprise value

3

\$63,000

Generating capacity

4

~47,000MWs

Combination Will Result in Scope, Scale and

Financial Strength

Enterprise

Value

Market Cap

\$0

\$30

\$50

\$60

\$40

\$20

\$70

\$10

Southern

Dominion

Duke

FPL

First

Energy

Entergy

1. Reflects total assets (under GAAP) with no adjustments. Based upon 6/30/08 Form 10-Q.

2. Reflects last twelve months EBITDA (Earnings before Income Taxes, Depreciation and Amortization) as of 6/30/08 with no

3. Calculation of Enterprise Value = Market Capitalization (as of 10/17/08) + Total Debt (as of 6/30/08) + Preferred Securities

Minority Interest (as of 6/30/08) - Cash & Cash Equivalents (as of 6/30/08). Debt, Preferred Securities, Minority Interest and

Equivalents based upon 6/30/08 Form 10-Q.

4. After giving effect to planned divestitures after regulatory approvals.



World Class Nuclear & Fossil Operations  
High performing nuclear plant

Top  
quartile  
capacity  
factor

94.9%

Large, well-maintained, relatively young units

Fossil fleet:

Half of >500 MW coal units are top quartile capacity factor

90% of coal fleet lower-cost PRB and lignite

NRG

Premier U.S. nuclear fleet

Best fleet capacity factor ~ 94%

Lowest fleet production costs ~ \$15 /MWh

Shortest

fleet

average

refueling

outage

duration

24

days

Strong reputation for performance

Exelon

11

## Nuclear Growth Opportunities

Texas offers nuclear growth platform

Potential for stretch power uprate  
(5-7%) on  
South Texas Project units 1 and 2

Continue momentum established with STP 3  
and 4 new build project

Continue work on Victoria County nuclear  
project

Exelon has the financial strength and discipline to  
pursue these opportunities

Strong balance sheet and credit metrics

Demonstrated track record of financial rigor

Nuclear depth and expertise

12

<1%

<1%

Pro Forma

Exelon

~198,000 GWh

1

2009 Historical Forward Coal Prices

Combined Entity Will Continue to Benefit  
from Low Cost, Low Volatility Fuel Sources  
Powder River Basin and lignite coal supply (90%  
of NRG's coal) provides low-sulfur at a relatively  
stable price as compared to northern and  
central Appalachian coal mines.

0.00  
1.00  
2.00  
3.00  
4.00  
5.00  
6.00

Powder River Basin  
Northern Appalachian  
Central Appalachian  
Production Costs

0  
2  
4  
6  
8  
10  
12  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007

Nuclear  
Gas  
Coal  
Petroleum

Combined fleet will continue to be  
predominantly low-cost fuel.

1%  
3%  
6%

Other  
Coal

1. Based on 2007 data, does not include ~38,000  
GWh of Exelon Purchased Power.

Q1 2007  
Q2 2007  
Q3 2007  
Q4 2007  
Q1 2008

Q2 2008

Q3 2008

cents/Kwh

\$/mmbtu

13

Exelon

~150,000 GWh

1

Nuclear

PRB & Lignite Coal

Other Coal

Gas/Oil

Hydro/Other

0  
50  
100  
150  
50  
100  
150



200  
250  
2006 Electricity Generated (GWh, in thousands)  
NRG  
TVA  
AEP  
Duke  
FPL  
Southern  
Exelon + NRG  
Entergy  
Exelon  
Dominion  
Progress  
FirstEnergy  
Bubble size represents carbon  
intensity, expressed in terms of metric  
tons of CO2 per MWh generated  
SOURCE: EIA and EPA data as compiled by NRDC  
Exelon 2020 principles will be applied to the combined fleet  
CO2 Emissions of Largest US Electricity Generators  
2006 CO2 Emissions  
from Electricity  
Generation  
(in million metric tons)  
Largest  
Fleet,  
2  
nd  
Lowest  
Carbon  
Intensity  
Top Generators by CO2 Intensity  
10  
9  
8  
7  
6  
5  
4  
3  
2  
1  
AEP  
NRG  
Southern  
Duke  
FirstEnergy  
TVA  
Progress

Dominion

FPL

Exelon + NRG

Entergy

Exelon

0.83

0.80

0.74

0.66

0.64

0.64

0.57

0.50

0.35

0.31

0.26

0.07

14

Exelon 2020 and NRG  
Offer more low carbon  
electricity in the  
marketplace  
Reduce emissions from  
coal/oil fired generation  
Help our customers

and the communities  
we serve reduce their  
GHG emissions  
Reduce or offset our  
footprint by greening  
our operations  
Apply Elements of  
Exelon 2020 to NRG  
Expand the 2020 Plan

Expand internal energy efficiency, SF6,  
vehicle, and supply chain initiatives to NRG  
portfolio

Offset a portion of NRG's GHG emissions

Expand energy efficiency program offerings

Add capacity to existing nuclear units  
through uprates

Add new renewable generation

Add new gas-fired capacity

Continue to explore new nuclear

Address older/higher emitting coal  
and oil units

Invest in clean coal technology R&D  
15

Taking the next step in Exelon's  
commitment to achieve 100% alignment with the  
company's climate goals

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### **Nominating and Governance Committee**

The members of our Nominating and Governance Committee are Messrs. Amaral, Fisher, Gleberman, Harman, Perrone and Peterschmidt, each of whom is

The Nominating and Governance Committee's purpose is to oversee and assist our Board of Directors in reviewing and recommending nominees for election

A copy of the updated Nominating and Governance Committee charter is available on our website at <http://investors.limelightnetworks.com>.

**Compensation Committee**

The members of our Compensation Committee are Messrs. Perrone, Peterschmidt and Amaral. Mr. Perrone serves as the Chairman of the Compensation C

Our Compensation Committee oversees our corporate compensation programs. The Compensation Committee also:

A copy of the updated Compensation Committee charter is available on our website at <http://investors.limelightnetworks.com>.

**Compensation Committee Interlocks and Insider Participation**

No member of the Compensation Committee has at any time been an officer or employee of Limelight. No executive officer of Limelight serves, or in the

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**Stockholder Recommendations and Nominations**

Pursuant to the requirements of its charter, the Nominating and Governance and Committee will review any director candidates recommended by our stock

Corporate Secretary

Limelight Networks, Inc.

222 South Mill Avenue, 8th Floor

Tempe, Arizona 85281

A submitted recommendation must include the candidate's name, home and business contact information, detailed biographical data and qualifications and

A stockholder desiring to nominate a person directly for election to the Board of Directors must meet the deadlines and other requirements set forth in our

**Director Qualifications**

We have no stated minimum criteria for director nominees. The Nominating and Governance Committee does, however, seek for nomination and appointm

**Identification and Evaluation of Nominees for Directors**

The Nominating and Governance Committee identifies nominees for the class of directors being elected at each annual meeting of stockholders by first eva

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The Nominating and Governance Committee may take such measures that it considers appropriate in connection with its evaluation of a candidate, including

After such review and consideration, the Nominating and Governance Committee selects, or recommends that the Board of Directors select, the slate of directors

**The Board's Role in Risk Oversight**

It is our management's responsibility to manage risk and to bring to the Board of Directors attention the most material risks to the Company. The Board

**Board Leadership Structure**

The Board recognizes that effective board leadership structure can be dependent on the experience, skills and personal interaction between persons in leadership

**Board Diversity**

We do not have a policy as it relates to diversity in the selection of nominees for the Board of Directors. Our practice is to seek diversity in experience and

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**Annual Meeting Attendance**

We do not have a formal policy regarding attendance by members of our Board of Directors at our annual meetings of stockholders, but all directors are en

**Communicating with the Board of Directors**

Any stockholder who desires to contact any of the members of our Board of Directors may write to the following address: Board of Directors, c/o Corporat

**Code of Ethics and Business Conduct**

The Board of Directors recently updated the Company's Code of Ethics and Business Conduct, which is applicable to our Chief Executive Officer, Chief F

The Board of Directors has selected Ernst & Young LLP to audit our financial statements for the fiscal year ending December 31, 2011. The decision of th

Although ratification by stockholders is not required by law, the Board of Directors has determined that it is desirable to request ratification of this selection

Ernst & Young LLP has audited our financial statements since fiscal year 2006. The Board of Directors expects that representatives of Ernst & Young LLP



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**Vote Required**

If a quorum is present, the affirmative vote of a majority of the shares present and entitled to vote at the Annual Meeting will be required to ratify the appo

**Table of Contents**

*The following report of the Audit Committee of the Board of Directors shall not be deemed to be soliciting material or filed with the SEC or incorporated by reference.*

The Audit Committee consists of three directors, each of whom, in the judgment of the Board of Directors, is an independent director as defined in the listing requirements of the New York Stock Exchange.

On behalf of the Board of Directors, the Audit Committee oversees Limelight's financial reporting process and its internal controls over financial reporting.

In fulfilling its oversight responsibilities, the Audit Committee has reviewed and discussed with management and Ernst & Young our audited financial statements.

Based on the Audit Committee's review of the matters noted above and its discussions with our independent auditors and our management, the Audit Committee has approved the financial statements.

Respectfully submitted by:

Walter D. Amaral, *Chairman*

Jeffrey T. Fisher

David C. Peterschmidt

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**Principal Accountant Fees and Services**

The following table presents the fees paid or accrued by Limelight for the audit and other services provided by Ernst & Young LLP for the years ended De

Audit Fees(1)
Tax Compliance
Tax Advice
Other
<b>Total Fees</b>

(1) **Audit Committee Pre-Approval Policy** Includes fees associated with our annual

Prior to the initiation of any audit related or non-audit related service, the Audit Committee is presented with a proposal for such service and an estimate of

The Audit Committee has determined the rendering of other professional services for tax compliance and tax advice by Ernst & Young LLP is compatible

The following tables set forth information about the beneficial ownership of our common stock on March 31, 2011, by:

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. E

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stock to cover applicable taxes, are considered outstanding. These shares, however, are not considered outstanding when computing the percentage owners

Unless otherwise indicated, the address for each of the stockholders in the table below is c/o Limelight Networks, Inc., 222 South Mill Avenue, 8th Floor.

**Beneficial Owner**

**5% Stockholders**

GS Capital Partners Entities(1)

Oak Investment Partners XII, L.P.(2)

**Executive Officers and Directors**

Jeffrey W. Lunsford(3)

Nathan F. Raciborski(4)

Douglas S. Lindroth (5)

John J. Vincent(6)

David M. Hatfield(7)

Walter D. Amaral(8)

Thomas Falk(9)

Jeffrey T. Fisher(10)

Joseph H. Gleberman(11)

Fredric W. Harman(12)

Peter J. Perrone(13)

David C. Peterschmidt(14)

All directors and executive officers as a group (13 persons)(15)

(1)

Funds affiliated with or managed by

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	managing limited partner share votin
(2)	The names of the parties who share p
(3)	Includes 1,654,210 shares of commo
(4)	Includes 1,212,185 shares of commo
(5)	Includes 162,337 shares of common
(6)	Includes 1,352,225 shares of commo
(7)	Includes 66,936 shares of common s
(8)	Includes 107,500 shares issuable upo
(9)	Includes 9,185 shares of common sto
(10)	Includes 63,785 shares issuable upon
(11)	See footnote (1) above. Joseph H. GL

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(12)	See footnote (2) above. Fredric W. H
(13)	See footnote (1) above. Peter J. Perrone
(14)	Includes 92,500 shares issuable upon
(15)	Includes an aggregate of 2,703,564 s

*The material in this report is not deemed soliciting material or filed with the Securities and Exchange Commission and is not to be incorporated by reference.*

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of SEC Regulation S-K with

Respectfully submitted by:

Peter J. Perrone, *Chairman*

David C. Peterschmidt

Walt Amaral

**Compensation Philosophy and Objectives**

Our compensation philosophy is to attract, motivate and retain talented executives responsible for the success of Limelight, which operates in an extremely

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The Compensation Committee of the Board of Directors guides our compensation philosophy and objectives. The Compensation Committee uses the above

The compensation for our named executive officers consists of three primary components: base salary, annual incentive cash bonus and equity awards. Other

Throughout this Compensation Discussion and Analysis, the individuals who served as Chief Executive Officer and Chief Financial Officer during fiscal 2019

**Role and Authority of the Board of Directors and the Compensation Committee**

The Compensation Committee has decision-making authority with respect to the compensation of our named executive officers. The members of the Compensation

The Compensation Committee carries out the Board of Directors' responsibilities to: (i) oversee Limelight's compensation policies, plans and benefits programs

In carrying out its responsibilities, the Compensation Committee may engage outside consultants and consult with Limelight's Human Resources department

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Committee determines to be appropriate. In December 2007, May 2009, December 2009 and December 2010, the Compensation Committee engaged Com

The Compensation Committee also meets as frequently as it deems necessary to address matters within its area of responsibility. During 2010, the Commi

The Board has delegated limited authority to a committee consisting of the Chief Executive Officer and the Chairman of the Compensation Committee (the

**Role of Executive Officers in Compensation Decisions**

The Compensation Committee on occasion meets with Mr. Lunsford, our Chief Executive Officer, to obtain recommendations with respect to the compens



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Mr. Lunsford and Philip Maynard, our Chief Legal Officer and Corporate Secretary, regularly attend meetings of the Compensation Committee but are ex

**Role of Compensation Consultant**

As noted, the Compensation Committee engaged the compensation consulting firm Compensia in December 2007, May 2009, December 2009 and Decem

To compare our executive and managerial employee compensation program for fiscal 2010 to the market, Compensia, as described in its December 2009 r

**Components of Compensation**

The components of our executive officer compensation include:

We selected these components because we believe each is necessary to help us attract and retain the executive talent on which Limelight's success depend

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The Compensation Committee reviews the entire executive compensation program (other than retirement benefits under the 401(k) plan and generally available

In fiscal 2010, the use and weight of the executive compensation components were based on a subjective determination by the Compensation Committee of

**Base Salary.** Limelight provides base salary to its named executive officers and other employees to compensate them for services rendered on a day-to-day

In conjunction with our annual performance review process, the Compensation Committee intends to review executive officer base salaries. During this process

During fiscal 2010, Messrs. Lunsford, Lindroth, Raciborski and Hatfield received an increase in base salary, bringing their respective fiscal 2010 base salaries

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**Annual Incentive Cash Bonuses.** We have utilized cash bonuses to reward performance achievements and have in place annual target incentive bonuses for

As noted above, during fiscal 2010, Mr. Vincent continued to participate in the EyeWonder bonus plan that was in effect prior to the merger with the Company.

**Long-Term Incentive Program.** The principal goals of Limelight's long-term equity-based incentive program are to align the interests of named executive officers

The Compensation Committee determined the appropriate equity grant amounts to be awarded in fiscal 2010 to certain of its named executive officers to motivate

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on peer group compensation data and extant equity award valuation analyses provided by Compensia in determining the appropriate equity grant amounts

Pursuant to the terms of his Employment Agreement, on April 30, 2010, Mr. Vincent received a grant of 750,000 restricted stock units. Each restricted stock

With respect to non-named executive officers, equity award grants are generally made within grant guidelines established by the Compensation Committee

For fiscal 2011, the Compensation Committee intends to continue to grant equity awards. The Compensation Committee will determine the size of long-term

In reviewing and analyzing the appropriate amount and type of equity awards to be granted, the Compensation Committee also may review the following factors

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The Compensation Committee views these factors as the main motivators to retain and attract key management talent.

On a total company basis, when appropriate, the Compensation Committee also analyzes:

The Compensation Committee believes that analyzing the above factors allows it to assess whether granting additional awards to the named executive officers is in the best interests of the company.

**Equity Award Practices.** For fiscal 2011, we expect that most equity award grants will be stock options, however we may grant a mix of options and restricted stock.

Prior to September 2007, the effective grant date for all equity awards to our named executive officers was the date on which the Compensation Committee approved the award.

**Stock Ownership Guidelines.** At this time, the Board of Directors has not adopted stock ownership guidelines with respect to the named executive officers.

Limelight has an insider trading policy that prohibits, among other things, short sales, hedging of stock ownership positions, and transactions involving derivatives.

**Employment Agreements, Severance and Change of Control Benefits**

**Employment Agreements.** Limelight has written employment agreements with certain executive officers, including each of its named executive officers.

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In December 2008 the employment agreement for then-current each named executive officer was amended to bring each agreement into compliance with t

On October 20, 2006, we entered into an employment agreement with Jeffrey W. Lunsford, our President, Chief Executive Officer and Chairman. Pursuan

On September 22, 2008, we entered into an employment agreement with Nathan F. Raciborski, our Co-Founder and Chief Technology Officer. Pursuant to

On October 20, 2008, we entered into an employment agreement with Douglas S. Lindroth, our Senior Vice President, Chief Financial Officer and Treasur

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an exercise price of \$3.68. One forty-eighth of the total number of shares subject to the option vested on February 1, 2010, and an additional one forty-eigh

On March 27, 2007, we entered into an employment agreement with David M. Hatfield, our Senior Vice President of Worldwide Sales, Marketing and Ser

On December 21, 2009, the Company entered into an employment agreement, which was effective on April 30, 2010, with Mr. Vincent, our Chief Executi

The terms "cause" and "change of control" are used substantially consistently among the employment agreements with the named executive officers. Ger

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Generally, the term "change of control" means the occurrence of any of the following events:

The term "in connection with a change of control" generally means a termination of executive's employment within three (3) months prior to the execution

**Severance Benefits.** Limelight believes that providing severance benefits for the named executive officers is necessary to attract and retain executive talent.

The employment agreements between Limelight and each named executive officer, except Mr. Vincent, provide generally that if the executive is terminated



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employment agreement between Limelight and Mr. Vincent provides that if Mr. Vincent's employment is terminated without cause (and the termination is not due to a change of control), then he is entitled generally only to compensation earned through the date of termination.

If a named executive officer voluntarily resigns his employment or his employment is terminated for cause, then he is entitled generally only to compensation earned through the date of termination.

In the event a named executive officer's employment is terminated due to death or disability, then twenty-five (25%) percent of the executive's then outstanding unvested restricted stock awards will be paid to the executive's estate.

**Change of Control Benefits.** Limelight believes that providing certain benefits for the named executive officers in connection with a change of control is in the best interests of the company.

The employment agreements between Limelight and each named executive officer, except Mr. Vincent, provide generally that, in the event of a change of control, the executive will be entitled to certain benefits.

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The tables below show the potential payments and benefits each of the named executive officers would be entitled to receive in the event of a change of co

**Potential Payments Upon Change of Control**

<b>Name</b>
Jeffrey W. Lunsford
Nathan F. Raciborski
John J. Vincent
Douglas S. Lindroth
David M. Hatfield

(1) Valuation of acceleration of unvested  
**Potential Payments Upon Termination Without Cause or Resignation for Good Reason in Connection with a Change of Control**

<b>Name</b>
Jeffrey W. Lunsford
Nathan F. Raciborski
John J. Vincent
Douglas S. Lindroth
David M. Hatfield

(1) Valuation of acceleration of unvested

(2) Health and welfare benefits are calcu

(3) Depending upon applicable law, a de

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**Potential Payments Upon Termination Without Cause or Resignation for Good Reason Not in Connection with a Change of Control**

**Name**

Jeffrey W. Lunsford

Nathan F. Raciborski

John J. Vincent

Douglas S. Lindroth

David M. Hatfield

(1) Health and welfare benefits are calculated based on the named executive officer's salary for the fiscal year ending December 31, 2010.

(2) Depending upon applicable law, a defined contribution plan may be subject to a maximum contribution limit. **Material Conditions to or Obligations of Severance.** The receipt of severance or change of control benefits is conditioned upon the named executive officer's resignation or termination without cause or resignation for good reason not in connection with a change of control.

**Retirement Benefits under the 401(k) Plan, Executive Perquisites, and Generally Available Benefit Programs.** In fiscal 2010, named executive officers were eligible for the 401(k) plan, executive perquisites, and generally available benefit programs.

We also maintain a tax-qualified 401(k) plan, which is broadly available to Limelight's general U.S. based employee population. Under the 401(k) plan, a

The 401(k) plan and other generally available benefit programs allow us to remain competitive, and we believe that the availability of such benefit programs

**Accounting and Tax Considerations.** In our review and establishment of compensation programs and payments for fiscal 2010, we considered, but did not

Internal Revenue Code Section 162(m) limits the amount that we may deduct for compensation paid to our Chief Executive Officer and to each of our four

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unless certain exemption requirements are met. Exemptions to this deductibility limit may be made for various forms of performance-based compensation.

**Section 409A of the Internal Revenue Code.** Section 409A imposes additional significant taxes in the event that an executive officer, director or service provider receives a nonqualified deferred compensation arrangement.

**Accounting for Stock-Based Compensation.** Beginning on January 1, 2006 we began accounting for stock-based awards in accordance with the requirements of SFAS 123R.

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**Executive Compensation Tables**

The following table sets forth information regarding the compensation to each of the individuals who served as our principal executive officer and principal

**Name and Principal Position**

(a)

Jeffrey W. Lunsford  
*President, Chief Executive  
 Officer and Chairman*

Nathan F. Raciborski  
*Co-Founder and Chief  
 Technical Officer and Director*

John J. Vincent  
*CEO, EyeWonder and Director(5)*

Douglas S. Lindroth(6)  
*Senior Vice President,  
 Chief Financial Officer*

*and Treasurer*

David M. Hatfield  
*Senior Vice President,  
 Worldwide Sales,*

*Marketing and Services*

(1) These amounts represent the grant date

(2) Represents amounts paid for health a

(3) This amount represents the grant date

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(4)	The Compensation Committee authorized
	On February 8, 2010, the Compensation Committee determined the final performance targets for these awards. As such, the grant date fair values of these awards were
(5)	Mr. Vincent became an employee of
(6)	Mr. Lindroth became an employee of
(7)	In May 2008, the Compensation Committee
(8)	These amounts represent the grant date

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The following table provides information regarding grants of plan based awards to each of our named executive officers during the fiscal year ended December 31, 2010.

Name	(a)
Jeffrey W. Lunsford	
Jeffrey W. Lunsford	
Jeffrey W. Lunsford	
Nathan F. Raciborski	
Nathan F. Raciborski	
John J. Vincent	
John J. Vincent	
Douglas S. Lindroth	
Douglas S. Lindroth	
David M. Hatfield	
David M. Hatfield	

- (1) Amounts represent participation in the 2010 Management Bonus Plan.
- (2) Each of the restricted stock units represents a contingent right to receive one share of common stock.
- (3) Each of the stock option awards vested one forty-eighth (1/48th) of the total number of shares underlying the award.
- (4) These amounts represent the aggregate grant date fair value for Options.
- (5) There was no maximum amount for this award during fiscal 2010.
- (6) On April 30, 2010, in connection with the acquisition of EyeWondra, Inc., we granted restricted stock units to certain named executive officers.

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The following table presents certain information concerning the outstanding option and restricted stock, and restricted stock unit awards held as of December 31, 2008.

<b>Name</b>	<b>(a)</b>
Jeffrey W. Lunsford	
Nathan F. Raciborski	
John J. Vincent	
Douglas S. Lindroth	
David M. Hatfield	

- (1) Effective November 25, 2008, all shares of common stock owned by the named individuals were converted to restricted stock units.
- (2) Each of the stock option awards vests over a period of four years.
- (3) These restricted stock units granted to the named individuals are subject to the terms and conditions of the NRG Energy, Inc. Restricted Stock Unit Award Agreement.



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(4)	Vests 1/4 <sup>th</sup> on the one year anniversary
(5)	Vests in 48 equal monthly installments
(6)	Shares are represented by restricted stock
(7)	Vests 1/4 <sup>th</sup> on June 10, 2010 and 1/4 <sup>th</sup>
(8)	Shares are represented by restricted stock
(9)	The RSUs vest in equal quarterly installments
(10)	Vests 1/4 <sup>th</sup> on October 20, 2009 and 1/4 <sup>th</sup>
(11)	Shares are represented by restricted stock
(12)	Vests in 36 equal monthly installments
(13)	Shares are represented by restricted stock

The following table presents certain information concerning the exercise of options and vesting of stock awards by each of our named executive officers during the year ended December 31, 2010.

<b>Name</b>
(a) Jeffrey W. Lunsford
Nathan F. Raciborski
John J. Vincent
Douglas S. Lindroth
David M. Hatfield

(1) The aggregate dollar amount realized from the exercise of options and vesting of stock awards for the named executive officer is as follows:

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The independent members of the Board of Directors are eligible to receive both cash and equity compensation for their service as board members. Messrs.  
Pursuant to the Compensation Committee charter, the Compensation Committee periodically reviews and may recommend to the Board, changes to the co

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The following table presents the compensation received by our non-employee directors during fiscal year 2010:

**Name**

(a)

Walter D. Amaral

Thomas Falk

Jeffrey T. Fisher

Joseph H. Gleberman

Fredric W. Harman

Peter J. Perrone

David C. Peterschmidt

(1)

This amount represents the grant date

(2)

These amounts represent the grant date

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(3) Represents full grant date fair value  
The following table sets forth the options to purchase shares of our common stock issued in 2010 to our non-employee directors that held office during 2010

<b>Name</b>
Walter D. Amaral
Jeffrey T. Fisher
Joseph H. Gleberman
Fredric W. Harman
Peter J. Perrone
David C. Peterschmidt

(1) These amounts represent the grant date fair value  
**Pension Benefits**

None of our named executive officers participates in or has account balances in qualified or non-qualified defined benefit plans sponsored by us.

**Nonqualified Deferred Compensation**

None of our named executive officers participates in or has account balances in non-qualified defined contribution plans or other deferred compensation plans.

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**Employee Benefit Plans**

We currently maintain two equity-based compensation plans that have been approved by the stockholders the 2007 Equity Incentive Plan, which was approved by the stockholders on August 1, 2007.

**Plan Category**

Equity compensation plans approved by security holders

Equity compensation plans not approved by security holders

Total

(1) Includes outstanding stock options as of December 31, 2010.

(2) Includes 5,896,412 shares for the 2007 Equity Incentive Plan.

**401(k) Plan**

We have established a tax-qualified employee savings and retirement plan for all employees who satisfy certain eligibility requirements, including requirements relating to age and length of service.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act requires our executive officers, directors and 10% stockholders to file reports of ownership and changes in ownership with the SEC.

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representations that no other reports were required during the fiscal year ended December 31, 2010, we believe that all our executive officers, directors and

**Limitation on Liability and Indemnification Matters**

Our amended and restated certificate of incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we are required to indemnify our directors and officers

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may di

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In addition to the director and executive compensation arrangements discussed above the following is a description of transactions since January 1, 2010, to

**Investors Rights Agreement**

In July 2006, we entered into an amended and restated investors rights agreement with the purchasers of our preferred stock, including GS Capital Partners

**Equity Grants**

Certain stock option and restricted stock unit grants made in 2010 to our directors and executive officers and related equity award policies are described els

**Indemnification of Officers and Directors**

Our amended and restated certificate of incorporation and bylaws provide that we will indemnify each of our directors and officers to the fullest extent per

**EyeWonder Acquisition**

On April 30, 2010, we completed the acquisition of EyeWonder, Inc., or EyeWonder, a provider of interactive digital advertising products and services to a

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Prior to the acquisition, Mr. Vincent, our current CEO, EyeWonder and member of the Board of Directors, was deemed to be the beneficial owner of approximately 12.4% of the EyeWonder s issued and outstanding shares prior to the acquisition, which

Mr. Falk was deemed to be the beneficial owner of approximately 12.4% of the EyeWonder s issued and outstanding shares prior to the acquisition, which

**smartclip Holding AG**

Mr. Falk owns 40% and Mr. Vincent owns 6.1% of the outstanding shares of smartclip Holding AG ( smartclip ), a customer of the Company s EyeWonder

**eValue AG**

In connection with the acquisition of EyeWonder, the Company entered into a European Expansion Consulting Agreement with eValue AG ( eValue ) and

Additionally, during the year ended December 31, 2010, the Company paid approximately \$119,455 for human resources, public relations and administrative

**Policies and Procedures for Related Party Transactions**

Our Board of Directors has adopted a written related party transactions policy, which is administered by the Audit Committee. This policy applies to any tr



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Shareholders have an opportunity to cast an advisory vote on compensation of executives as disclosed in this Proxy Statement. This proposal, commonly known as the "Say on Pay" proposal, is being presented to you for your advisory vote. As discussed in the Compensation Discussion and Analysis section of this Proxy Statement, the primary objective of our compensation program, including this proposal, is to attract, retain and motivate our executive officers. This proposal allows our shareholders to express their opinions regarding the decisions of the Compensation Committee on the prior year's annual compensation.

**Vote Required**

If a quorum is present, approval of this proposal requires the affirmative vote of the holders of a majority of the shares present and entitled to vote on the proposal. Because the vote on this proposal is advisory in nature, it will not affect any compensation already paid or awarded to any named executive officer and will not affect the Compensation Committee's future decisions. Shareholders are being asked to vote on the following resolution:

RESOLVED: that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the

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In addition to providing shareholders with the opportunity to cast an advisory vote on executive compensation, the Company this year is providing shareholders

The Board believes that a frequency of every three years for the advisory vote on executive compensation is the optimal interval for conducting and responding

The proxy card provides shareholders with the opportunity to choose among four options (holding the vote every one, two or three years, or abstaining) and

Because the vote on this proposal is advisory in nature, it will not be binding on or overrule any decisions by the Board of Directors; it will not create or impair

**Vote Required**

If a quorum is present, approval of this proposal requires the affirmative vote of the holders of a majority of the shares present and entitled to vote on the proposal

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The Board of Directors, by resolution adopted on February 8, 2011, unanimously approved and recommended for approval by our stockholders a second amendment to our Amended and Restated Certificate of Incorporation currently authorizes the issuance by the Company of up to 150,000,000 shares of Common Stock. Except as set forth in the immediately prior paragraph, we have not made specific plans for the issuance of the Common Stock relating to the proposed amendment. If the proposed amendment is approved by our stockholders, the additional shares will be available for issuance without further action by our stockholders.

**Vote Required**

The affirmative vote of a majority of the shares of Common Stock issued and outstanding is required to approve the second amendment to the Amended and Restated Certificate of Incorporation.

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We know of no other matters to be submitted to the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the

We are sending only one copy of our annual report and proxy statement to stockholders who share the same address unless they have notified us that they v

If you received only one mailing this year and you would like to have additional copies of our annual report and/or proxy statement mailed to you, or you v

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