Extreme Networks To Acquire Brocade's Data Center Networking Business

March 29, 2017

Acquisition Enhances Extreme's Enterprise Market Position and Increases Total Addressable Market

Transaction Contingent on Broadcom Limited Closing its Acquisition of Brocade Communications Systems, Inc., Previously Announced on November 2, 2016

Conference Call Today at 4:30 PM ET

SAN JOSE, Calif. and SINGAPORE, March 29, 2017 /PRNewswire/ -- Extreme Networks, Inc. (NASDAQ: EXTR) and Broadcom Limited (NASDAQ: AVGO) today jointly announced that they have entered into an agreement for Extreme to acquire Brocade Communications Systems, Inc.'s data center switching, routing, and analytics business from Broadcom following Broadcom's acquisition of Brocade. Brocade's data center networking business will be sold to Extreme for $55 million in cash, consisting of $35 million at closing and $20 million in deferred payments, as well as additional potential performance based payments to Broadcom, to be paid over a five-year term.

Extreme expects the acquisition to be accretive to cash flow and earnings for its fiscal year 2018 and expects to generate over $230 million in annualized revenue from the acquired assets. The acquisition is expected to close within 60 days following the closing of Broadcom's acquisition of Brocade.

"The addition of Brocade's data center networking business significantly strengthens our position in the expanding high-end data center market and reinforces our strategy of delivering software-driven networking solutions focused on enterprise customers," said Ed Meyercord, President and CEO of Extreme Networks. "As Extreme is the only pure-play end-to-end, wired and wireless enterprise IP networking company in the world, we believe Brocade's data center customers will benefit from our dedication to delivering high-quality, software-driven, secure networking solutions and the industry's highest rated customer support. Today's announcement, coupled with our recent announcements regarding our position as the stalking horse bidder of Avaya's networking business and the successful completion of the integration of Zebra's wireless LAN business, along with Extreme's organic investments in R&D, will result in a state-of-the-art, newly-refreshed portfolio of enterprise solutions for our customers.

"Moreover, this acquisition is important as it expands our commercial relationship with Broadcom," continued Meyercord. "We already have our 200 Series of value oriented switches leveraging Broadcom's FASTPATH operating system software and this transaction will only broaden our strategic partnership. Finally, given the strong profitability of Brocade's data center business, this transaction will accelerate Extreme's objective to achieve gross margins in excess of 60%."

"Extreme is highly complementary to our data center switching, routing, and analytics business on many levels, and represents a positive outcome for our customers, partners, and employees," said Lloyd Carney, CEO of Brocade. "Our two companies have similar strategic visions and believe that innovation will increasingly be driven through software capabilities that allow customers to successfully transform their networks for digital business. Both companies are pure-play networking providers, serving the enterprise edge to the data center core. And both companies consistently demonstrate a customer-first culture, placing a high value on excellence in customer and partner support. In addition, we believe Extreme's desire to build on the innovation and momentum of our completely refreshed data center portfolio, including the new SLX family, as well as its intention to drive the ongoing success of our VDX and MLX families, will allow our customers and partners to continue to leverage the full benefits of our world-class portfolio."

This announcement is the latest in a series of acquisitions that Extreme has announced over the last six months to expand the company's state-of-the-art portfolio of data center, core, campus and edge networking solutions. In October 2016, the company closed its acquisition of the wireless LAN business from Zebra Technology Corporation, which is expected to generate over $115 million in annualized revenue. Earlier this month, the company announced that it entered into an agreement with Avaya Inc. to be the stalking horse bidder to acquire its networking business in an auction process. The transaction remains subject to customary closing conditions and regulatory approvals and is currently anticipated to close within 2 to 3 months. Extreme expects the Avaya business to generate over $200 million in annualized revenue.

Terms of the Transaction
The closing of the transaction is contingent on Broadcom closing its acquisition of Brocade, previously announced on November 2, 2016 and approved by Brocade shareholders on January 26, 2017. Broadcom presently expects to close the Brocade acquisition in its third fiscal quarter ending July 30, 2017. Extreme expects to fund the transaction with funds resulting from an anticipated amendment increasing its existing credit facility.

The transaction is subject to customary closing conditions, including certain regulatory approvals, but does not require shareholder approval by either company, is not subject to any financing conditions, and is presently expected to close approximately 60 days following the closing of Broadcom's acquisition of Brocade. Extreme will file a Current Report on Form 8-K with the Securities and Exchange Commission providing further details regarding the terms of the transaction.

Conference Call
Extreme Networks will host a conference call at 4:30 p.m. Eastern / 1:30 p.m. Pacific today to discuss this announcement. The conference call will be available to the public through a live audio web broadcast via the Internet at http://investor.extremenetworks.com. The conference call may also be heard by dialing 1-877-303-9826 (international callers dial 1-224-357-2194). The encore recording will be available until April 5, 2017 and can be accessed by dialing (855) 859-2056 or international 1 (404) 537-3406 with the conference ID # 97360078.

About Extreme Networks
Extreme Networks, Inc. (EXTR) delivers software-driven networking solutions that help IT departments everywhere deliver the ultimate business outcome: stronger connections with customers, partners and employees. Wired to wireless, desktop to data center, on premise or through the cloud, we go to extreme measures for our customers in more than 80 countries, delivering 100% insourced call-in technical support to organizations large

and small, including some of the world's leading names in business, hospitality, retail, transportation and logistics, education, government, healthcare and manufacturing. Founded in 1996, Extreme is headquartered in San Jose, California. For more information, visit Extreme's website or call 1-888-257-3000.

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About Broadcom
Broadcom Limited (NASDAQ: AVGO) is a leading designer, developer and global supplier of a broad range of analog and digital semiconductor connectivity solutions. Broadcom Limited's extensive product portfolio serves four primary end markets: wired infrastructure, wireless communications, enterprise storage and industrial & other. Applications for our products in these end markets include: data center networking, home connectivity, broadband access, telecommunications equipment, smartphones and base stations, data center servers and storage, factory automation, power generation and alternative energy systems, and displays. Broadcom is co-headquartered in Singapore and San Jose, Calif. For more information about Broadcom please visit http://www.broadcom.com.

Forward Looking Statements
Except for the historical information contained herein, the statements in this release, including those concerning the transaction, the expected benefits and the timing of closing, are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements speak only as of the date of this release. Actual results or events could differ materially from those anticipated in those forward-looking statements as a result of certain factors, including: the possibility that proposed acquisition of Brocade by Broadcom will not be completed and the possibility that the proposed acquisition of Brocade's data center switching, routing, and analytics business by Extreme from Broadcom will not be completed, whether as a result of the failure to obtain necessary regulatory approvals, to satisfy any of the other conditions to the transactions or otherwise; failure to achieve targeted revenues and forecasted demand from end customers; a highly competitive business environment for network switching equipment; the possibility that we might experience delays in the development or introduction of new technology and products; customer response to our new technology and products; unexpected integration issues; overall conditions in the industry and a dependency on third parties for certain components and for the manufacturing of our products.

More information about potential factors that could affect Extreme's business and financial results is included in Extreme's filings with the U.S. Securities and Exchange Commission, including, without limitation, under the captions: "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk Factors". Except as required under the U.S. federal securities laws and the rules and regulations of the U.S. Securities and Exchange Commission, Extreme Networks disclaims any obligation to update any forward-looking statements after the date of this release, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

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