



Extreme Networks

FQ4'15 Financial Results

Non GAAP and Pro Forma Measures:

As Reported results reflect the financial results of Extreme Networks, Inc. as previously reported prior to the acquisition of Enterasys Networks Inc.

In preparing the accompanying information, the Company has excluded, where applicable, the impact of certain Non GAAP costs as listed at the end of this presentation. In addition the accompanying information includes certain Pro Forma measures for which the Company has consolidated the unaudited financial position and results of operations of the former entity Enterasys Networks Inc. The Pro Forma consolidations exclude, where applicable, cash and debt of the former entity but include the impacts of the cash consideration paid and debt assumed for the acquisition.

The Company believes these Non GAAP and Pro Forma measures provide both management and investors with additional insight into its current operations, the trends affecting the Company and the Company's marketplace performance. Management believes these items allow readers to better correlate the Company's operating activities with the Company's ability to generate cash from operations. Accordingly, management uses these Non GAAP and Pro Forma measures along with comparable GAAP information when evaluating the Company's historical performance and future business activities. The Company's Non GAAP and Pro Forma measures may be different than those used by other companies and should be considered in conjunction with, and not as a substitute for, the Company's financial information presented in accordance with GAAP.

Forward Looking Statements:

Actual results, including with respect to the Company's financial targets and general business prospects, could differ materially due to a number of factors. More information about potential factors that could affect the Company's business and financial results is included in its filings with the 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," which are on file with the Securities and Exchange Commission. Except as required under the U.S. federal securities laws and the rules and regulations of the SEC, 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.

FQ4'15 Financial Results

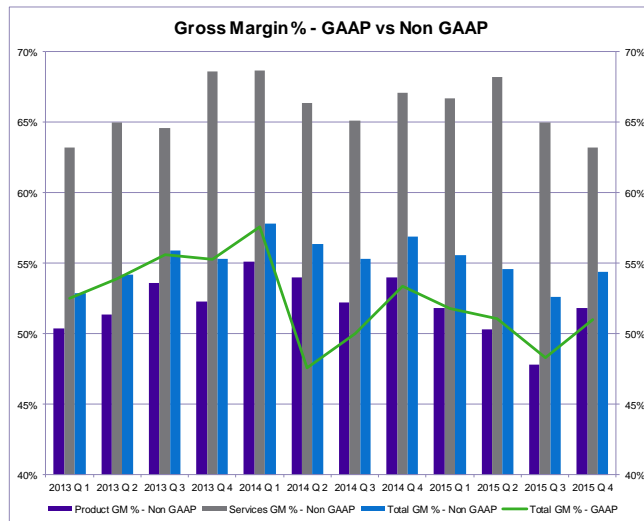
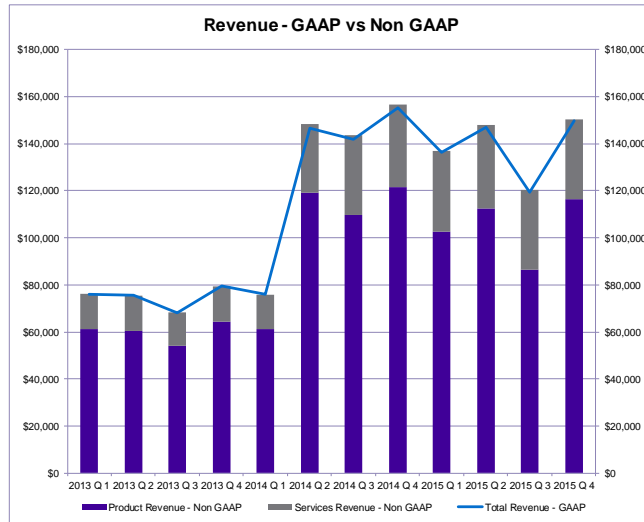
Financial Highlights – Financial Operations



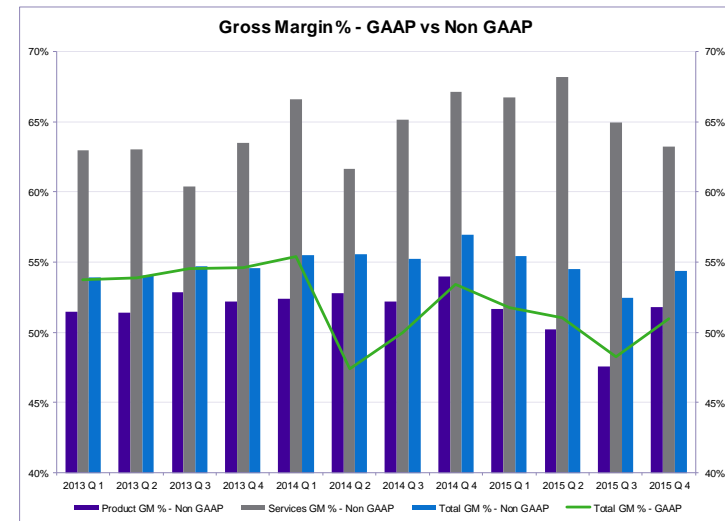
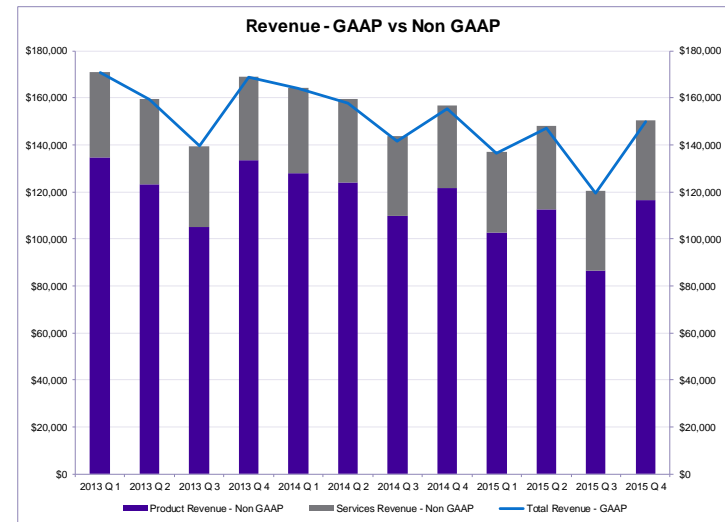
	FY'14	FY'15				FQ4'15 v	FQ4'15 v
	Q4	Q1	Q2	Q3	Q4	FQ3'15	FQ4'14
Product Revenue - Non GAAP	\$121,761	\$102,672	\$112,501	\$86,527	\$116,346	\$29,819	(\$5,415)
Services Revenue - Non GAAP	\$35,111	\$34,368	\$35,473	\$33,829	\$34,288	\$459	(\$823)
Total Revenue - Non GAAP	\$156,872	\$137,040	\$147,974	\$120,356	\$150,634	\$30,278	(\$6,238)
Total GM % - Non GAAP	56.9%	55.6%	54.6%	52.6%	54.4%	1.8%	-2.5%
Operating Margin % - Non GAAP	7.2%	0.9%	4.5%	-4.7%	8.2%	12.9%	1.0%
Net Income (Loss) - Non GAAP	\$8,455	(\$934)	\$4,670	(\$7,925)	\$10,068	\$17,993	\$1,613
EBITDA - Non GAAP	\$14,314	\$4,043	\$10,235	(\$2,709)	\$15,498	\$18,207	\$1,184
EPS - Non GAAP	\$0.09	(\$0.01)	\$0.05	(\$0.08)	\$0.10	\$0.18	\$0.01
EPS - GAAP	(\$0.17)	(\$0.20)	(\$0.13)	(\$0.24)	(\$0.16)	\$0.08	\$0.01

Quarterly Results of Operations

As Reported

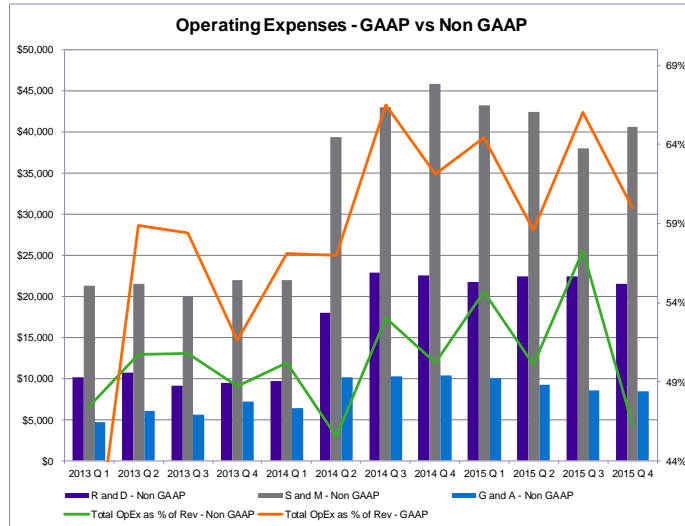


Pro Forma

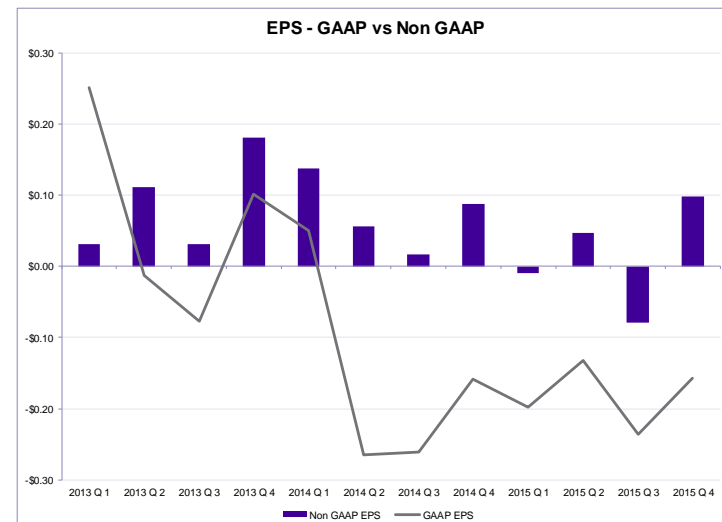
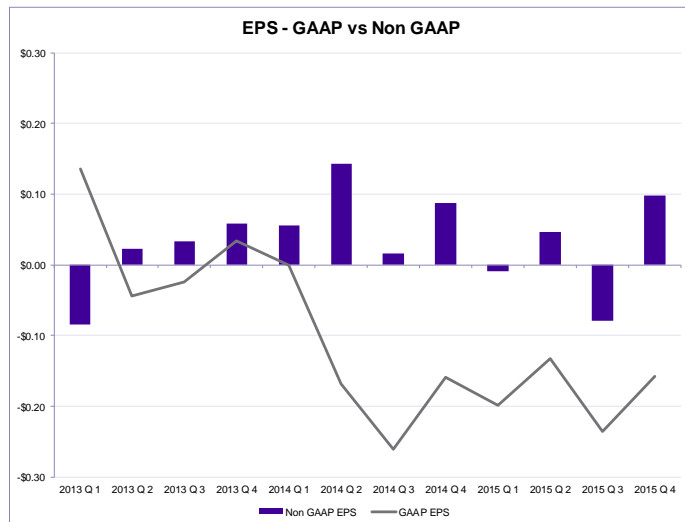
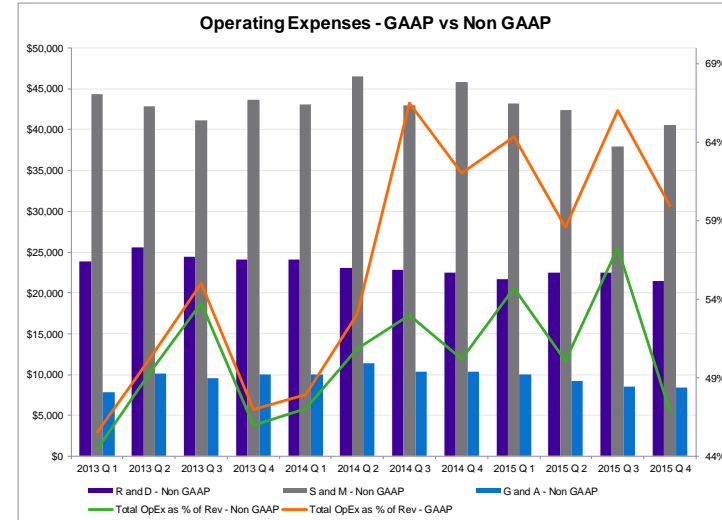


Quarterly Results of Operations (cont'd)

As Reported



Pro Forma



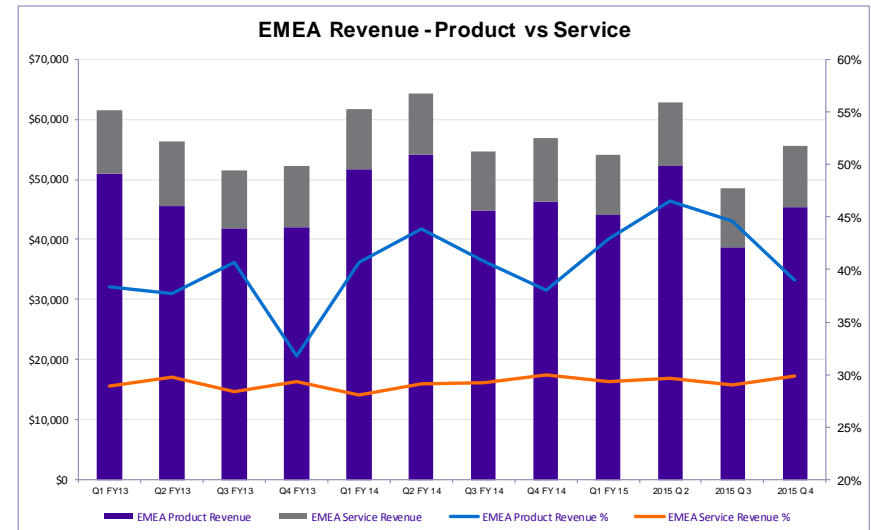
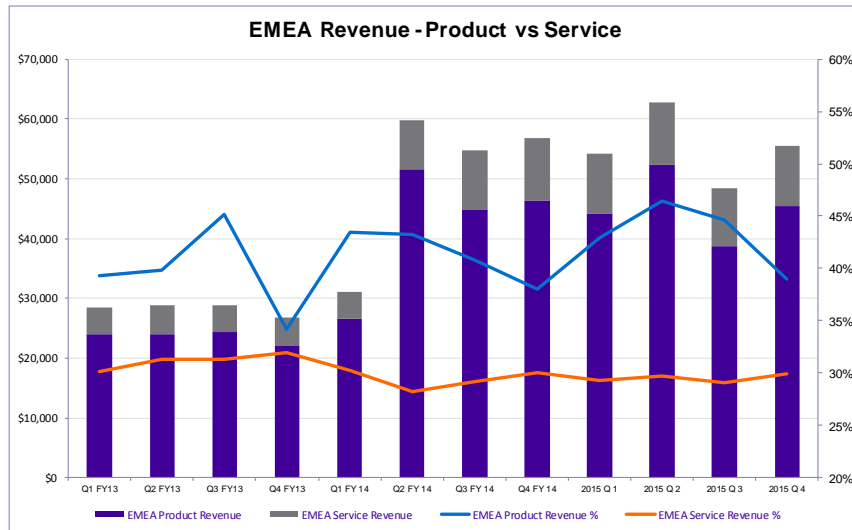
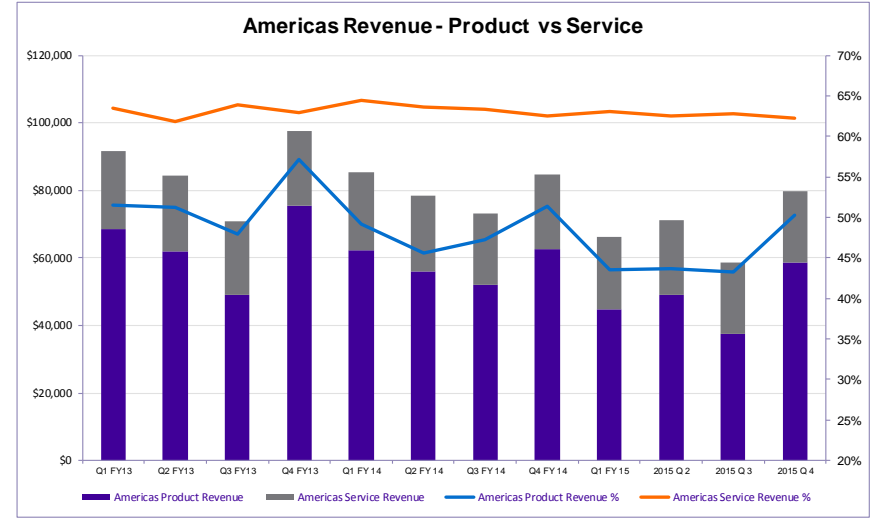
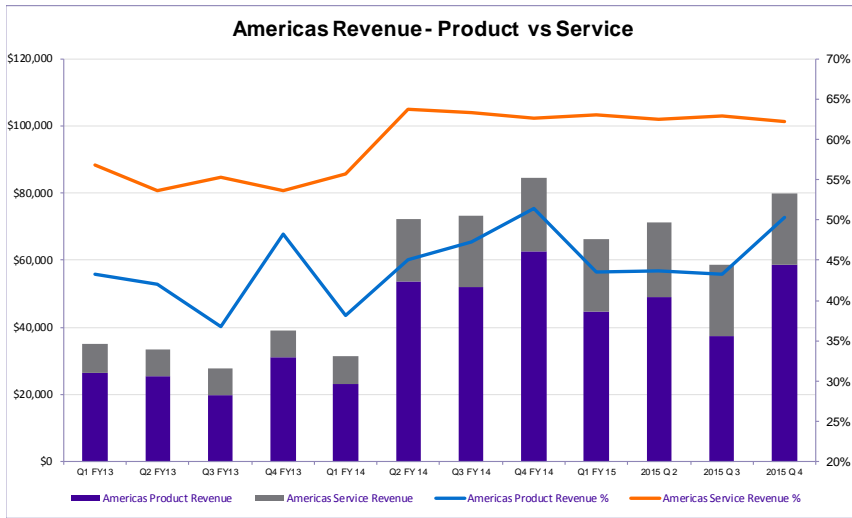
Historical Revenue by Geography: Non GAAP

	FY'14	FY'15				FQ4'15 v	FQ4'15 v
	Q4	Q1	Q2	Q3	Q4	FQ3'15	FQ4'14
Product							
Americas	\$ 62,599	\$ 44,670	\$ 49,083	\$ 37,474	\$ 58,489	\$ 21,015	\$ (4,110)
EMEA	46,264	44,074	52,265	38,621	45,379	6,758	(885)
APAC	12,898	13,928	11,153	10,432	12,478	2,046	(420)
Total Product	121,761	102,672	112,501	86,527	\$ 116,346	29,819	(5,415)
Service							
Americas	21,969	21,684	22,180	21,257	21,401	144	(568)
EMEA	10,530	10,081	10,528	9,827	10,195	368	(335)
APAC	2,612	2,603	2,765	2,745	2,692	(53)	80
Total Service	35,111	34,368	35,473	33,829	\$ 34,288	459	(823)
Total Revenue							
Americas	84,568	66,354	71,263	58,731	79,890	21,159	(4,678)
EMEA	56,794	54,155	62,793	48,448	55,574	7,126	(1,220)
APAC	15,510	16,531	13,918	13,177	15,170	1,993	(340)
Total Revenue	\$ 156,872	\$ 137,040	\$ 147,974	\$ 120,356	\$ 150,634	\$ 30,278	\$ (6,238)

Revenue by Geography (Non GAAP)

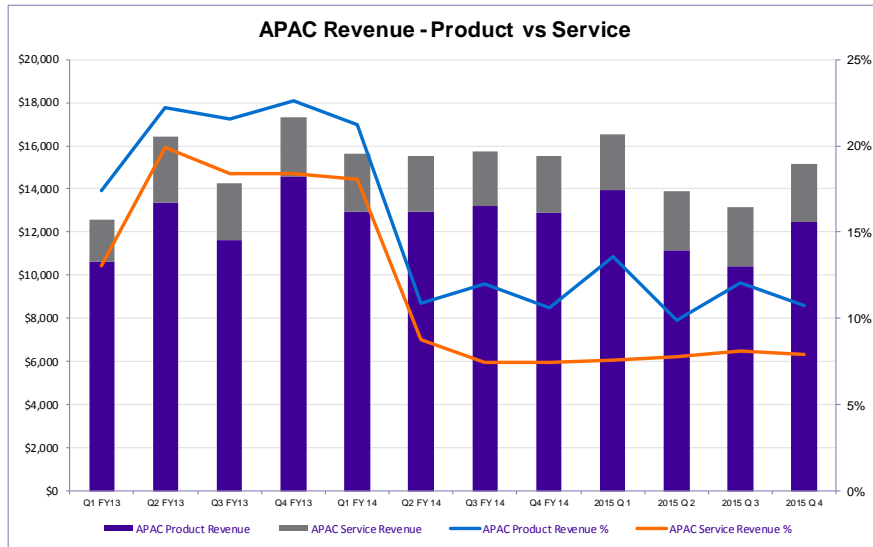
As Reported

Pro Forma

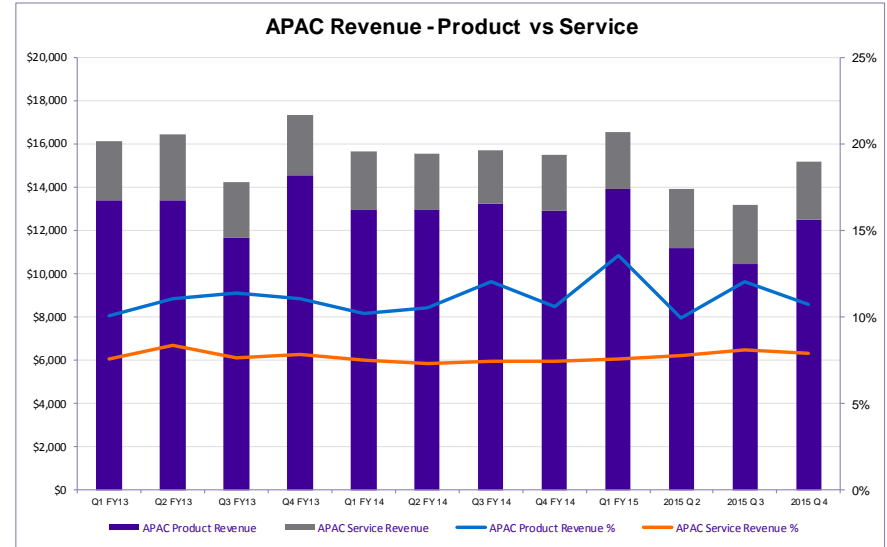


Revenue by Geography (Non GAAP, cont'd)

As Reported



Pro Forma



Financial Highlights – Financial Position



	FY 2014	FY 2015			
	Q4	Q1	Q2	Q3	Q4
Cash and Securities Available for Sale	\$105,882	\$104,462	\$109,293	\$75,573	\$76,225
AR	\$124,664	\$99,980	\$93,519	\$78,727	\$92,737
DSO	72	67	57	59	56
Inventories	\$57,109	\$55,341	\$54,431	\$66,811	\$58,014
DOI	92	92	81	121	86
Debt Payable	\$121,563	\$120,750	\$89,125	\$68,500	\$66,875
Free Cash Flow	(\$1,214)	(\$1,152)	\$38,643	(\$9,620)	\$2,348
Cap Ex	\$4,988	\$2,784	\$1,178	\$1,648	\$1,595

Non-GAAP Adjustment Trends



	FY'14	FY'15			
	Q 4	Q 1	Q 2	Q 3	Q 4
Deferred Revenue Adjustment	\$ 1,579	\$ 766	\$ 766	\$ 766	\$ 766
Adjustment to Acquired Inventory	-	-	-	-	-
Amortization of Product Intangibles	4,292	4,292	4,292	4,292	4,290
Stock Comp in Product COGS	268	283	275	265	244
Stock Comp in Service COGS	272	291	272	254	252
Stock Comp in R&D	1,551	1,644	1,544	1,423	754
Stock Comp in Sales and Marketing	2,815	1,557	1,566	1,291	755
Stock Comp in G&A	1,141	1,038	1,093	1,139	1,469
Total Stock Comp	6,047	4,813	4,750	4,372	3,474
Restructuring Charges, net	11	-	-	-	9,819
Executive Transition Costs	600	-	-	-	1,989
Amortization of Non Product Intangibles	5,267	4,467	4,467	4,467	4,467
Acquisition and Integration Costs	6,890	4,058	3,500	1,725	923
Net Non GAAP Adjustments	\$ 24,686	\$ 18,396	\$ 17,775	\$ 15,622	\$ 25,728

FQ1'16 Financial Guidance

FQ1'16 Guidance – Non GAAP (in M's except EPS)

	FQ4'15	FQ1'16 Guidance
Revenue (\$M)	\$150.6	\$120 - \$130
Gross Margin %	54.4%	54% - 55%
Net Income (Loss)	\$10.1	\$0.75 – \$5.0
EPS: non-GAAP	\$0.10	\$0.01 - \$0.05



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