

A large, stylized white 'E' logo on a dark blue background. The 'E' is composed of several horizontal bars of varying lengths, creating a modern, geometric look.

Extreme Networks Investor Relations February 5, 2014

This presentation contains forward-looking statements that involve risks and uncertainties, including statements regarding the Company's financial performance, acceptance of the Company's newer products in the market and its expectations regarding its products. **Actual results could differ materially from those projected** in the forward-looking statements as a result of certain risk factors, including, **the Company undertakes no obligation to update** the forward-looking information in this presentation. **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."

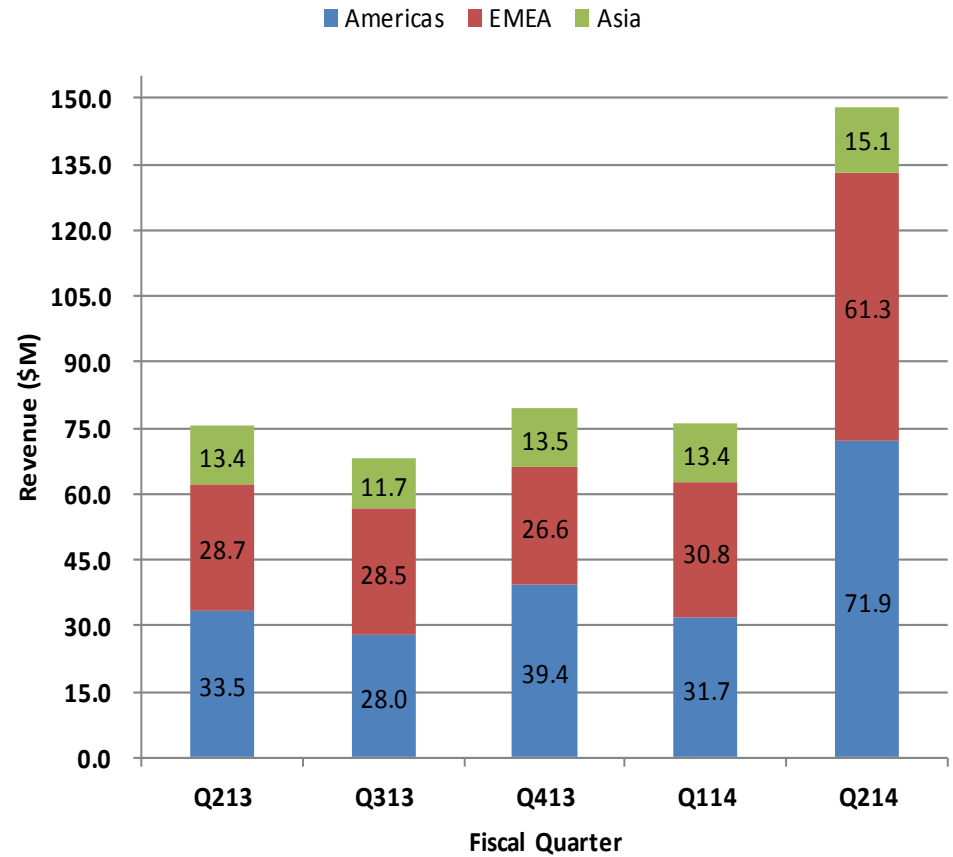
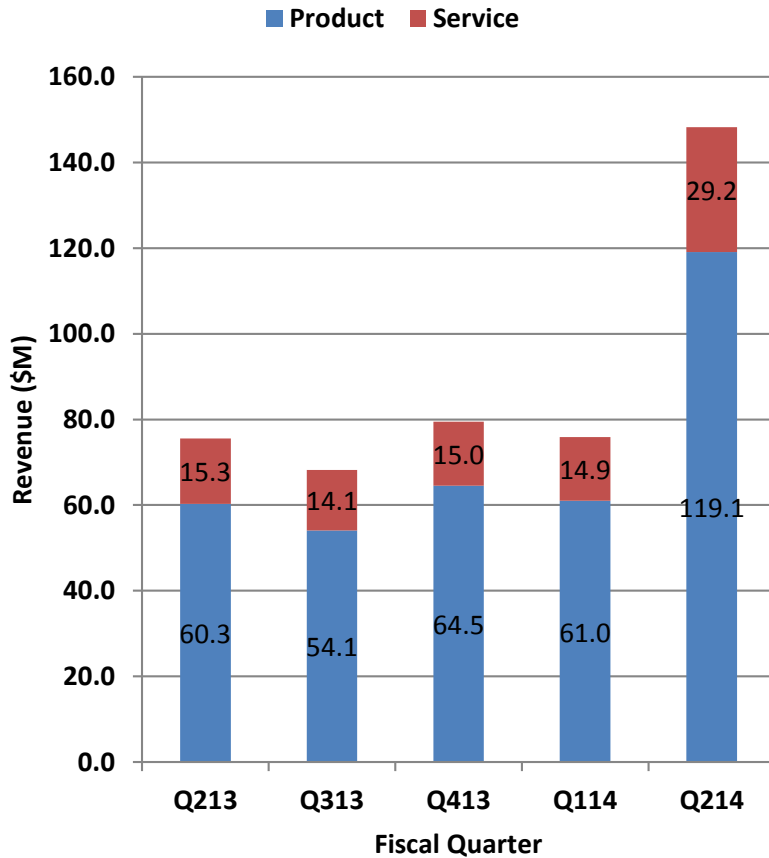


Second Quarter Fiscal 2014
Financial Results
December 31, 2013

All of the charts that follow refer to non-GAAP operating results unless stated otherwise. Non-GAAP operating results exclude the effect of restructuring charges, stock-based compensation, acquisition and integration costs, amortization of intangibles, purchase accounting adjustments, gains related to the sale of facilities, and litigation settlements.

A GAAP to non-GAAP reconciliation is provided at the end of this presentation.

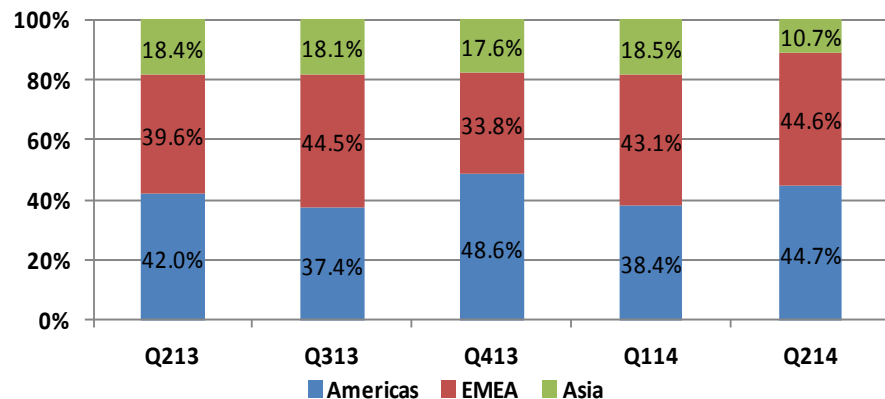
Revenue Trends (Non GAAP)



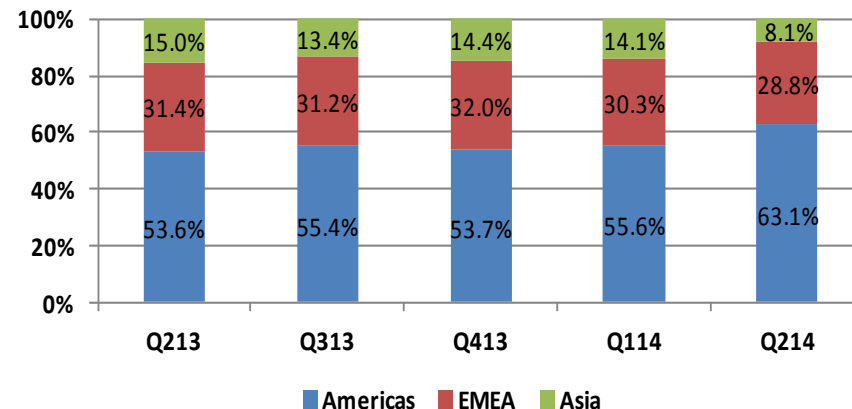
Note : Amounts shown above are Non-GAAP and exclude the effect of Purchase Price Accounting on Deferred Revenues

Revenue by Geography (Non GAAP)

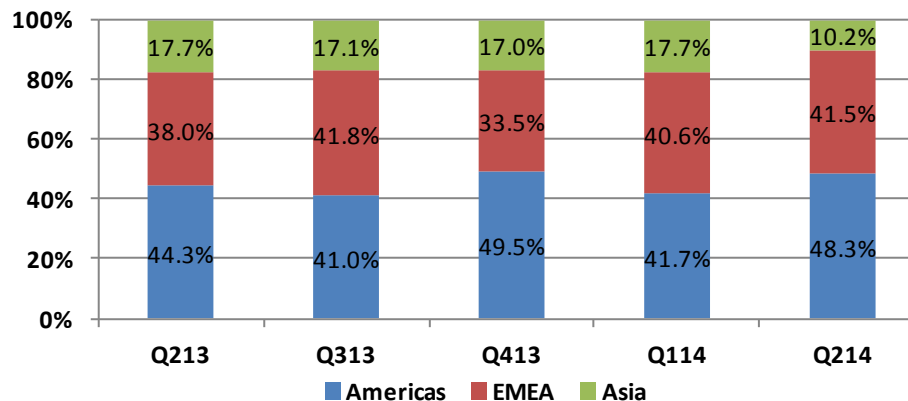
Product Revenue



Service Revenue



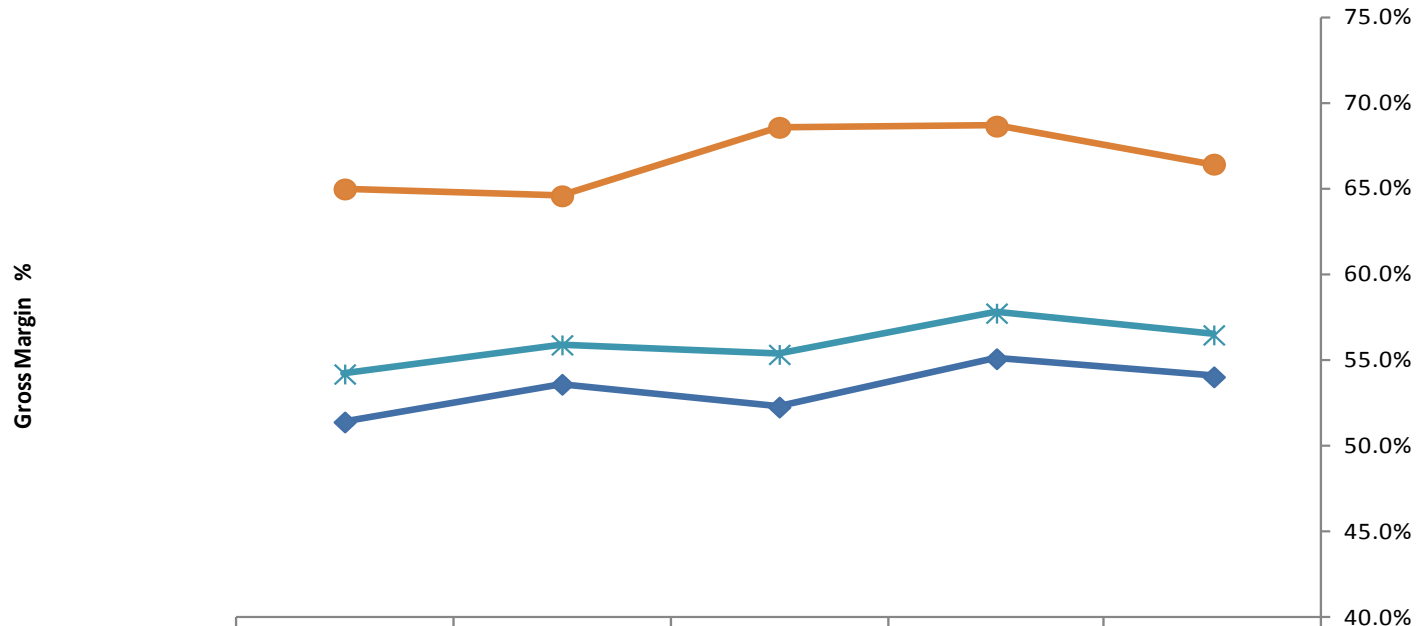
Total Revenue



Note : Amounts shown above are Non-GAAP and exclude the effect of Purchase Price Accounting on Deferred Revenues otherwise required under US GAAP

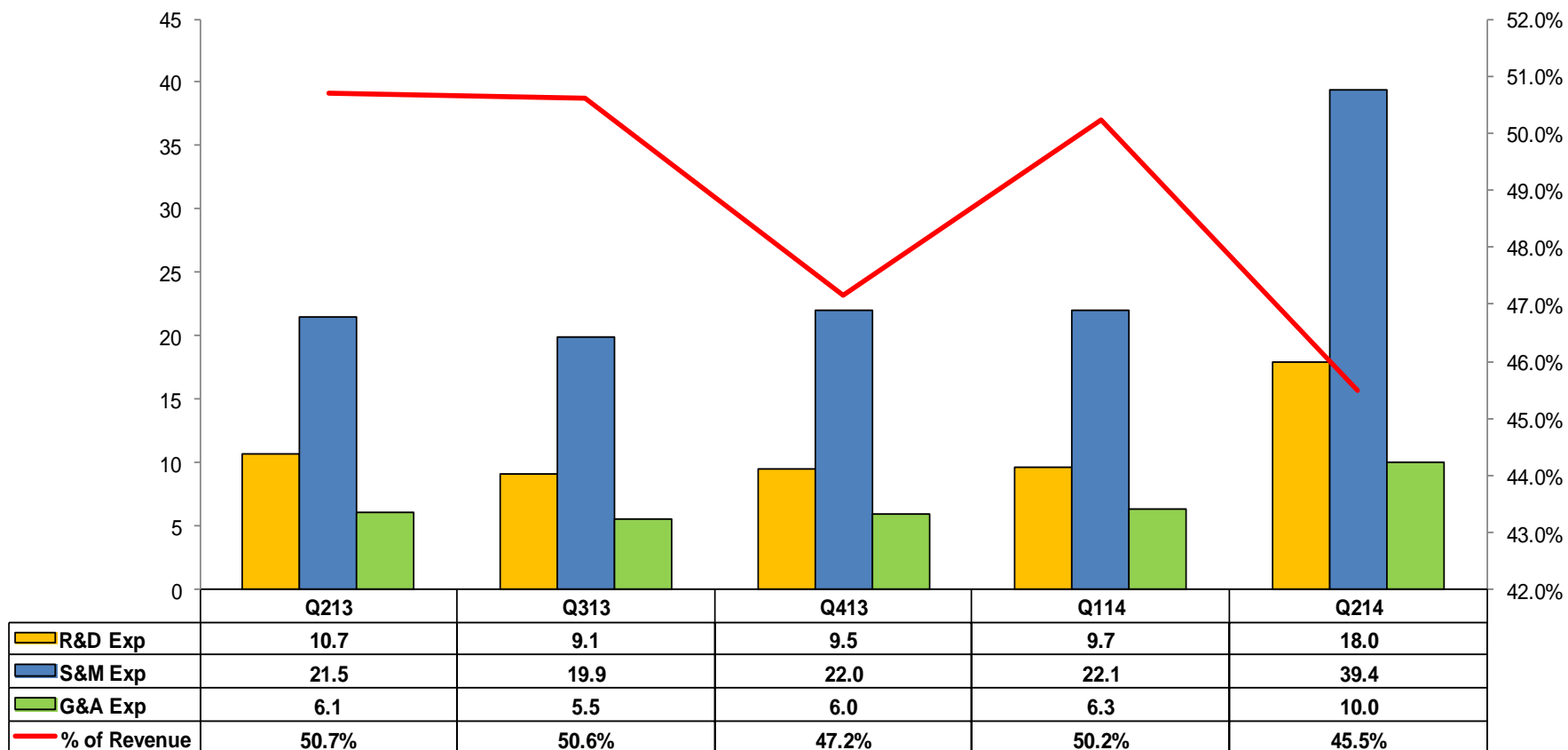
Non-GAAP Gross Margin Trends

Non-GAAP Gross Margin Trends



	Q213	Q313	Q413	Q114	Q214
Product GM %	51.4%	53.6%	52.3%	55.1%	54.0%
Service GM %	65.0%	64.6%	68.6%	68.7%	66.4%
Total GM%	54.2%	55.9%	55.3%	57.8%	56.5%

Non-GAAP Operating Expense Trend



Balance Sheet & Other Metric Trends

(\$ in Millions)	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
Cash & Investments	\$ 196.2	\$ 189.1	\$ 205.6	\$ 199.4	\$ 112.0
Free Cash Flow	\$ (0.4)	\$ (2.5)	\$ 16.9	\$ (7.9)	\$ (9.5)
Accounts Receivable	\$ 42.6	\$ 43.6	\$ 47.6	\$ 39.3	\$ 94.3
DSO	52	58	54	47	58
Inventory	\$ 17.9	\$ 15.7	\$ 16.2	\$ 30.4	\$ 62.9
DOI	55	56	47	99	85
Net Debt	\$ -	\$ -	\$ -	\$ -	\$ 99.2

Non-GAAP Financial Highlights

(\$ in Millions except EPS)	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
Product	\$ 60.3	\$ 54.1	\$ 64.5	\$ 61.0	\$ 119.1
Service	\$ 15.3	\$ 14.1	\$ 15.0	\$ 14.9	\$ 29.2
Total Revenue	\$ 75.6	\$ 68.2	\$ 79.5	\$ 75.9	\$ 148.3
Gross Margin (%)	54.2%	55.9%	55.3%	57.8%	56.5%
Operating Margin (%)	3.5%	5.3%	8.2%	7.5%	11.0%
Net Income	\$ 2.8	\$ 3.3	\$ 6.7	\$ 5.3	\$ 14.0
EPS (Diluted Basis)	\$ 0.03	\$ 0.04	\$ 0.07	\$ 0.06	\$ 0.14
EBITDA	\$ 4.1	\$ 5.1	\$ 8.0	\$ 7.4	\$ 18.5
CAP Ex	\$ 1.5	\$ 1.4	\$ 8.3	\$ 9.8	\$ 2.8

Non-GAAP Adjustment Trends

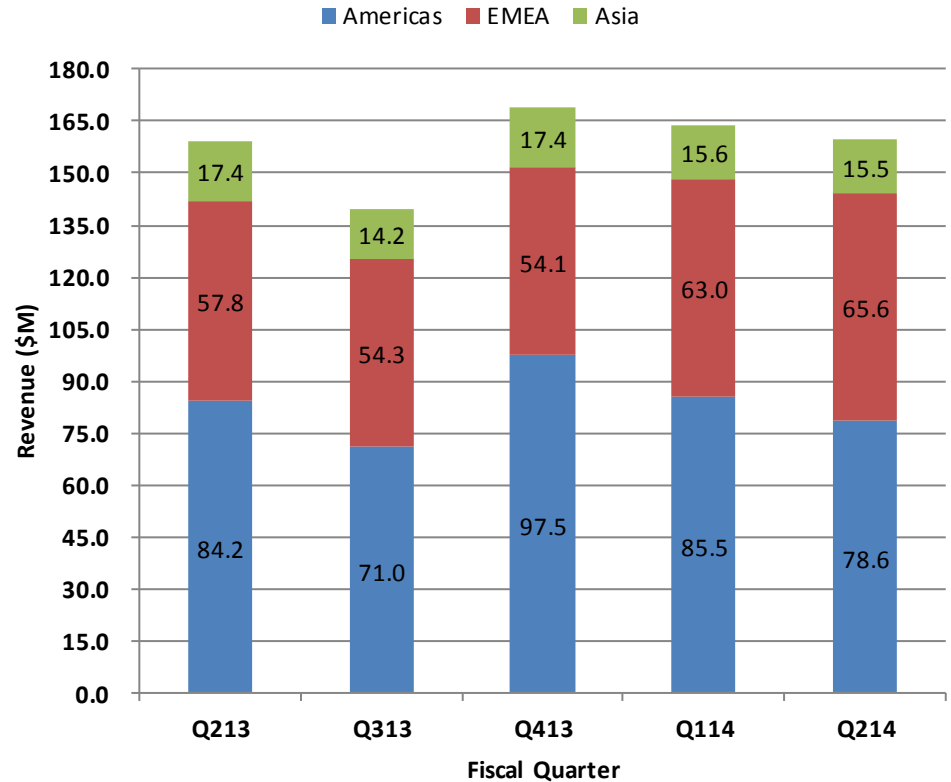
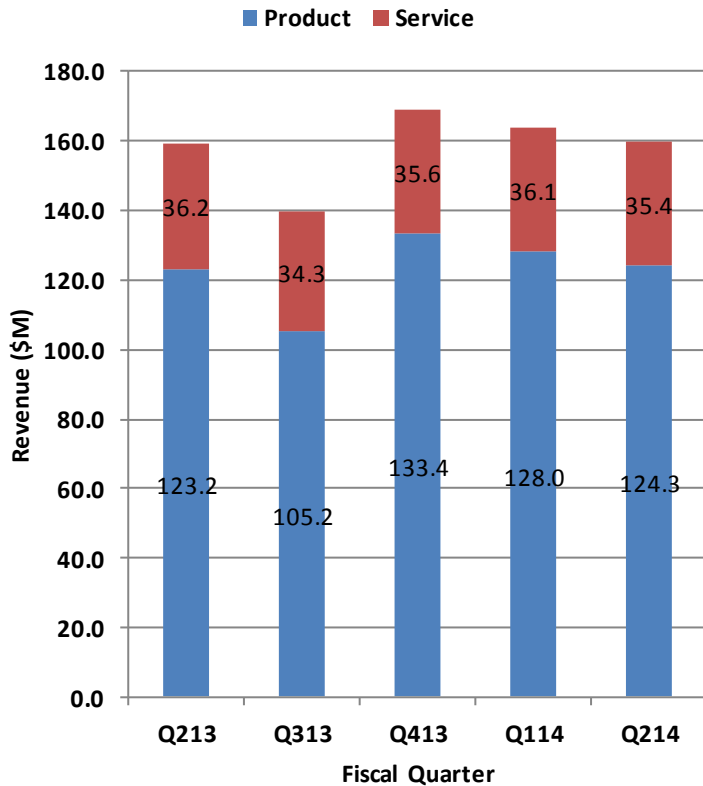
(\$ in Millions)	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
Stock Based Compensation					
COGS - Products	\$ 0.121	\$ 0.118	\$ 0.015	\$ 0.102	\$ 0.198
COGS - Service	\$ 0.085	\$ 0.061	\$(0.012)	\$ 0.040	\$ 0.001
R&D	\$ 0.288	\$ 0.268	\$ 0.044	\$ 0.243	\$ 0.898
Sales & Marketing	\$ 0.567	\$ 0.756	\$ 0.410	\$ 0.570	\$ 1.279
G&A	\$ 0.556	\$ 0.638	\$ 0.430	\$ 0.620	\$ 1.084
Total Stock Based Compensation	\$ 1.617	\$ 1.841	\$ 0.886	\$ 1.575	\$ 3.460
Restructuring, net	\$ 5.176	\$ 1.076	\$ 0.593	\$ 0.075	\$ 0.430
Gain on Sale of Building	\$ (0.002)	\$ -	\$ -	\$ -	\$ -
Litigation Settlement	\$ (0.421)	\$ 2.618	\$ -	\$ -	\$ -
CEO Transition			\$ 2.086	\$ -	\$ -
CTA reclassification	\$ 0.616	\$ -	\$ -	\$ -	\$ -
Purchase Price Accounting - Inventory Step up					\$ 9.236
Purchase Price Accounting - Deferred Revenue					\$ 1.764
Amortization of Intangible Assets - COGS					\$ 2.694
Amortization of Intangible Assets - OPEX	\$ -	\$ -	\$ -	\$ -	\$ 3.778
Acquisition & Integration Costs				\$ 3.695	\$ 8.688
Total Non-GAAP Adjustments	\$ 6.986	\$ 5.535	\$ 3.565	\$ 5.345	\$30.050

(\$ in Millions except EPS)	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
Product	\$ 60.3	\$ 54.1	\$ 64.5	\$ 61.0	\$ 119.1
Service	\$ 15.2	\$ 14.1	\$ 15.0	\$ 14.9	\$ 27.5
Total Revenue	\$ 75.5	\$ 68.2	\$ 79.5	\$ 75.9	\$ 146.6
Gross Margin (%)	53.9%	55.6%	55.3%	57.6%	47.6%
R&D	\$ 11.0	\$ 9.4	\$ 9.6	\$ 9.9	\$ 18.9
Sales & Marketing	\$ 22.1	\$ 20.6	\$ 22.4	\$ 22.7	\$ 40.6
G&A	\$ 6.2	\$ 8.7	\$ 8.4	\$ 10.6	\$ 23.7
Restructuring	\$ 5.2	\$ 1.1	\$ 0.6	\$ 0.1	\$ 0.4
Total Operating Expense (\$M)	\$ 44.5	\$ 39.8	\$ 41.0	\$ 43.3	\$ 83.6
Operating Margin (%)	(5.0)%	(2.8)%	3.7 %	0.0 %	(9.4)%
Net Income (\$M)	\$ (4.2)	\$ (2.2)	\$ 3.1	\$ (0.0)	\$ (16.0)
EPS (Diluted Basis)	\$ (0.04)	\$ (0.02)	\$ 0.03	\$ (0.0)	\$ (0.17)

PRO-FORMA FINANCIALS

Note : Amounts shown in the following schedules are Non-GAAP and exclude the effect of Purchase Price Accounting on Deferred Revenues otherwise required under US GAAP. Pro-Forma financials are presented as if the Acquisition had occurred prior to 2013 thereby presenting full quarter views for all periods shown.

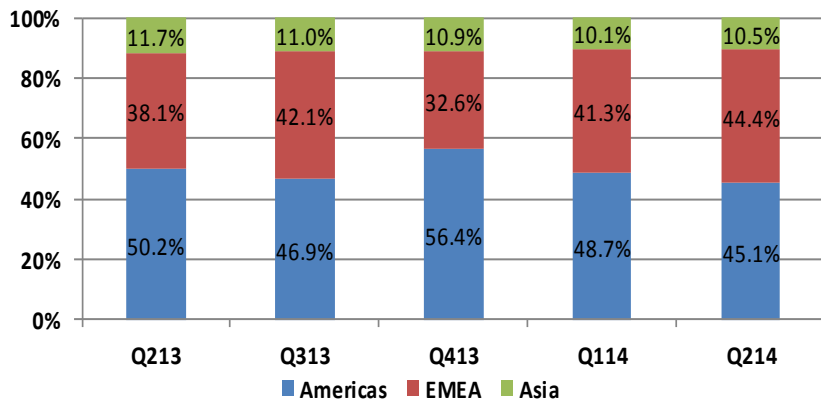
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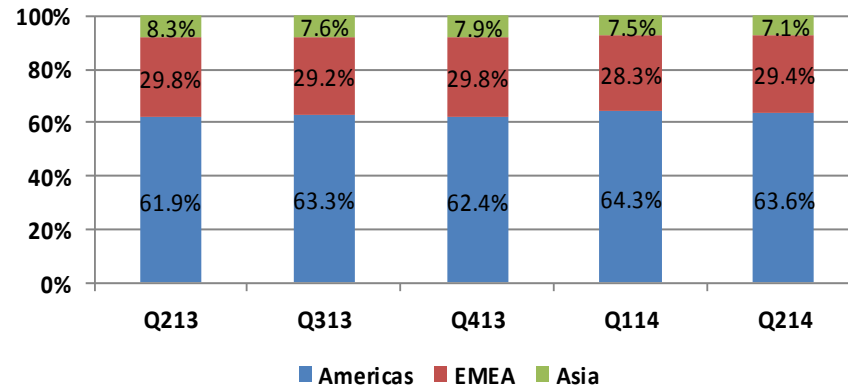
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Revenue by Geography (Non GAAP)

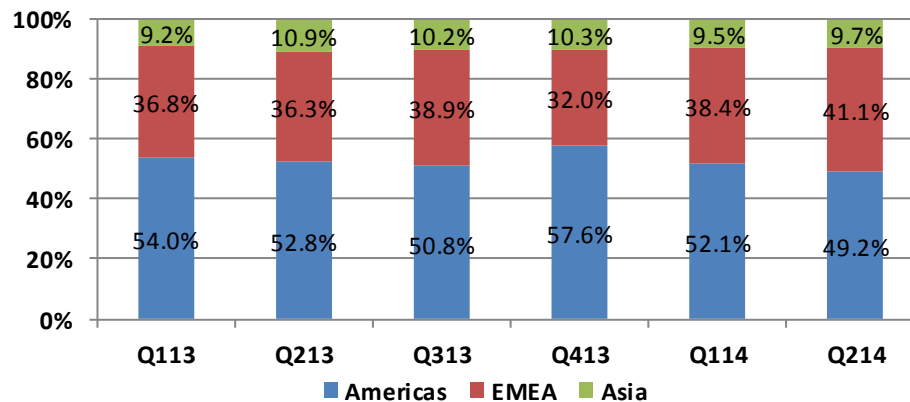
Product Revenue



Service Revenue



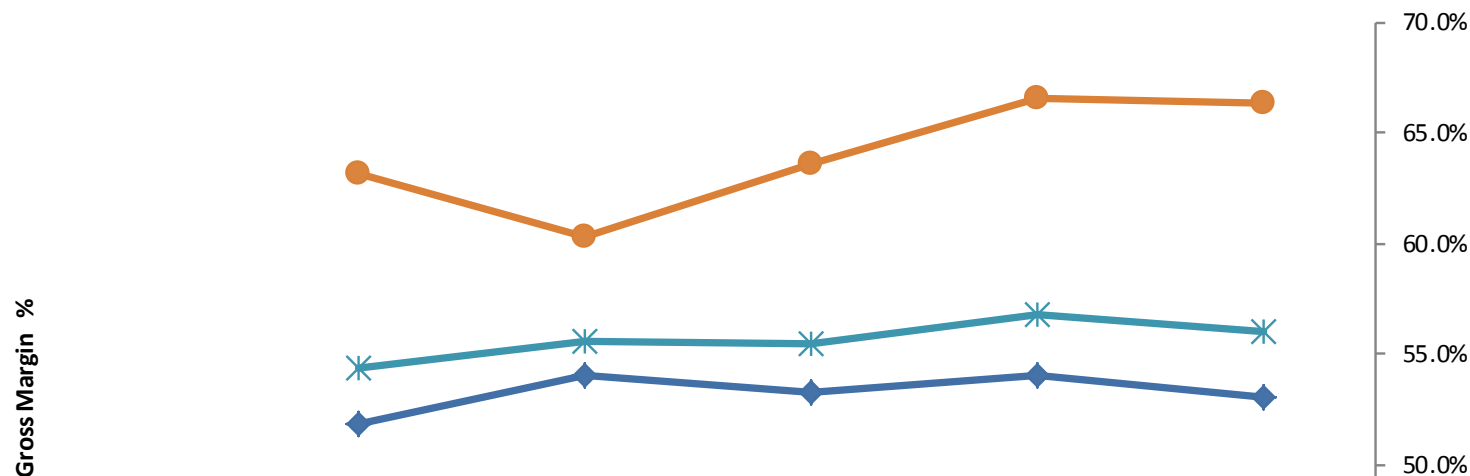
Total Revenue



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Non-GAAP Gross Margin Trends

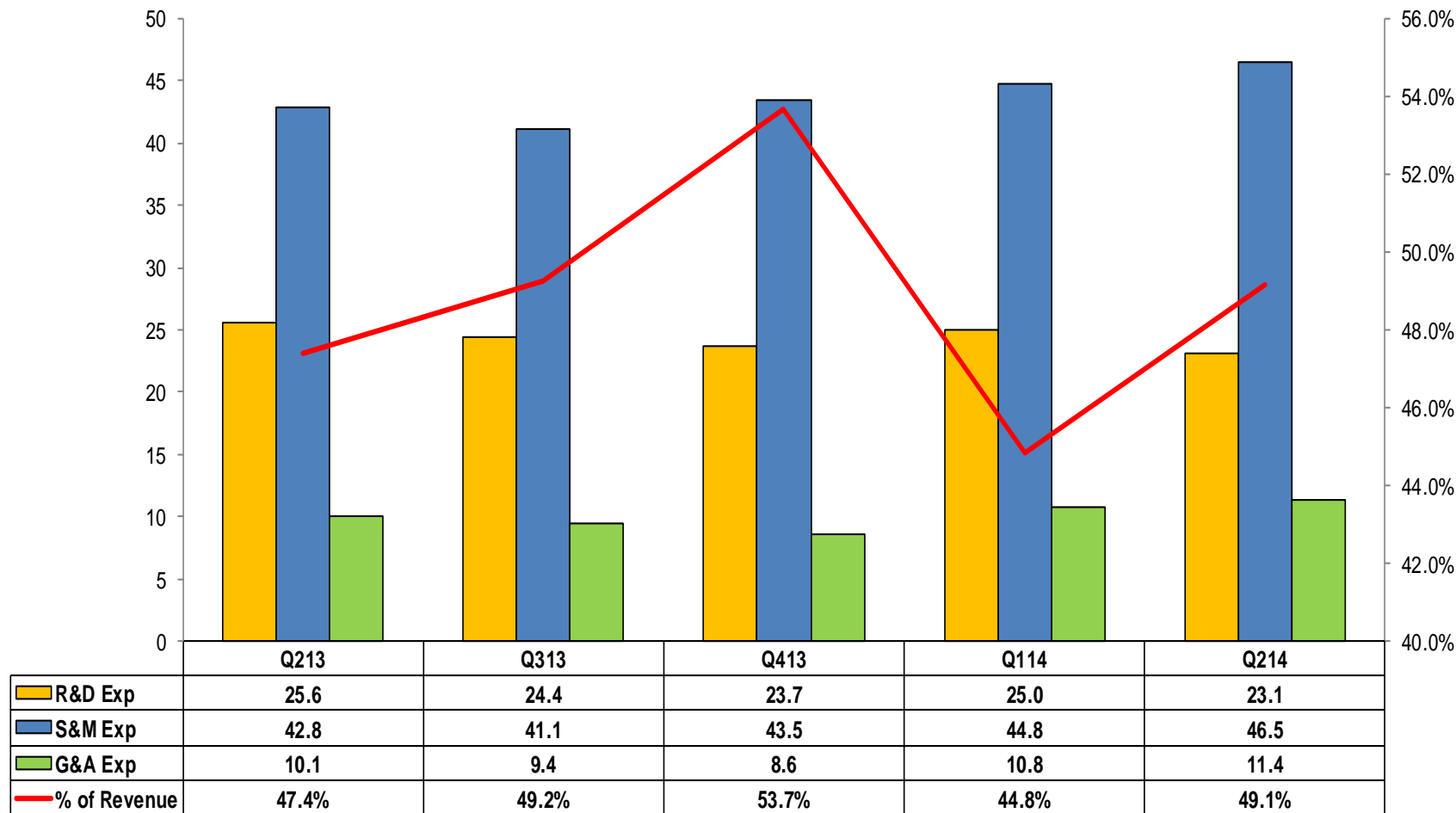
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● Service GM %	63.1%	60.3%	63.7%	66.6%	66.4%
* Total GM%	54.4%	55.6%	55.5%	56.8%	56.0%

Note: Pro-Forma financials are presented as if the Acquisition had occurred prior to 2013

Non-GAAP Operating Expense Trend



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