



Extreme Networks

FQ3'15 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.

FQ3'15 Financial Results

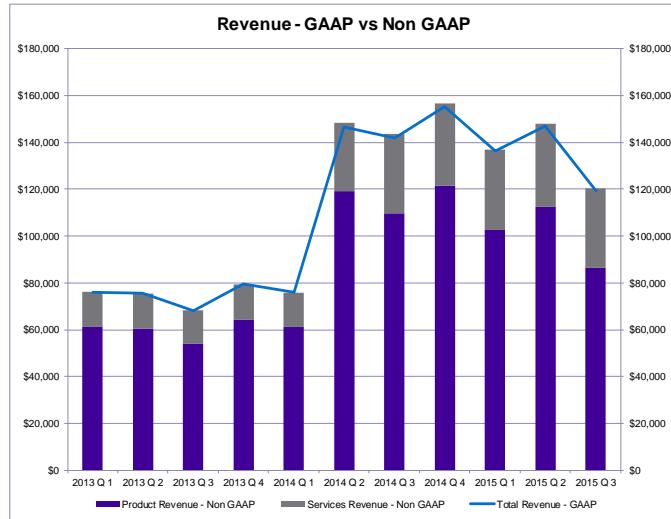
Financial Highlights – Financial Operations



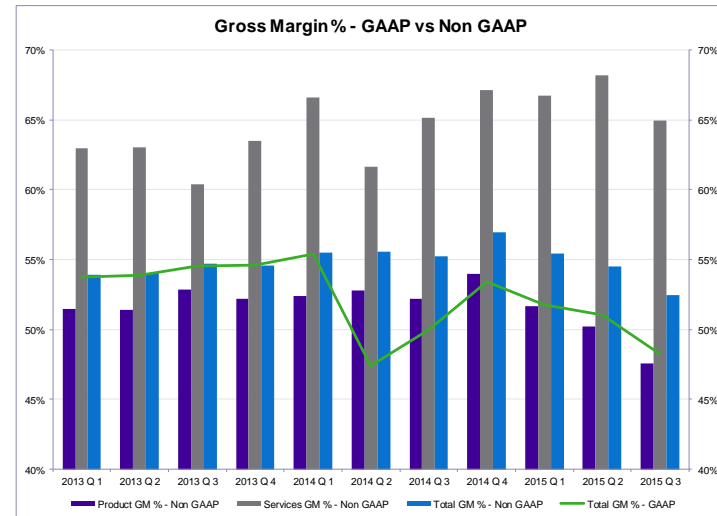
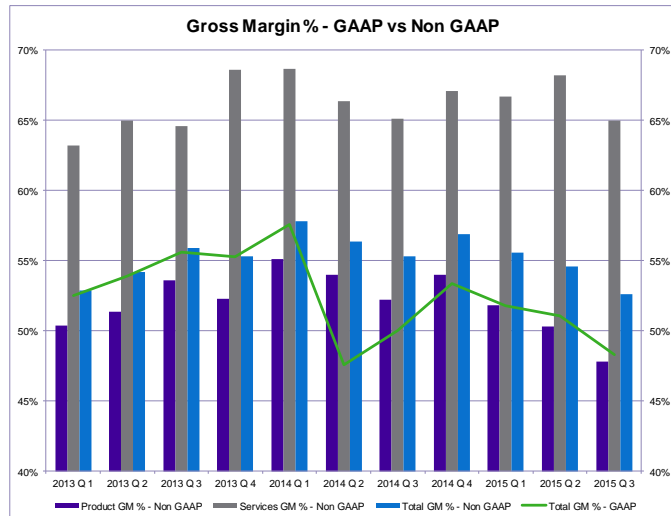
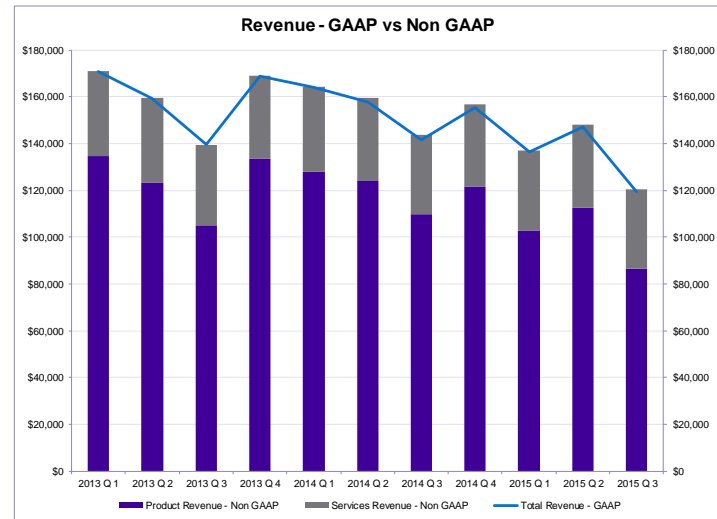
	FY'14		FY'15			FQ3'15 v FQ2'15	FQ3'15 v FQ3'14
	Q3	Q4	Q1	Q2	Q3		
Product Revenue - Non GAAP	\$109,891	\$121,761	\$102,672	\$112,501	\$86,527	(\$25,974)	(\$23,364)
Services Revenue - Non GAAP	\$33,783	\$35,111	\$34,368	\$35,473	\$33,829	(\$1,644)	\$46
Total Revenue - Non GAAP	\$143,674	\$156,872	\$137,040	\$147,974	\$120,356	(\$27,618)	(\$23,318)
Total GM % - Non GAAP	55.3%	56.9%	55.6%	54.6%	52.6%	-2.0%	-2.7%
Operating Margin % - Non GAAP	2.3%	7.2%	0.9%	4.5%	-4.7%	-9.2%	-7.0%
Net Income (Loss) - Non GAAP	\$1,633	\$8,455	(\$934)	\$4,670	(\$7,925)	(\$12,595)	(\$9,558)
EBITDA - Non GAAP	\$7,172	\$14,314	\$4,043	\$10,235	(\$2,709)	(\$12,944)	(\$9,881)
EPS - Non GAAP	\$0.02	\$0.09	(\$0.01)	\$0.05	(\$0.08)	(\$0.13)	(\$0.10)
EPS - GAAP	(\$0.26)	(\$0.17)	(\$0.20)	(\$0.13)	(\$0.24)	(\$0.11)	\$0.02

Quarterly Results of Operations

As Reported

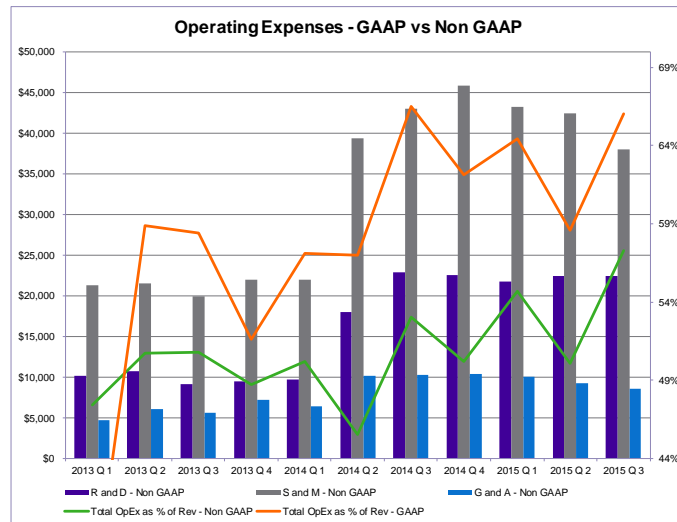


Pro Forma

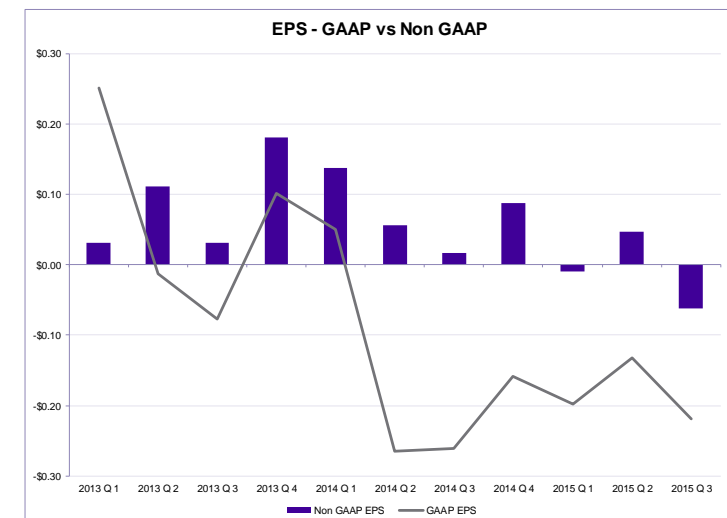
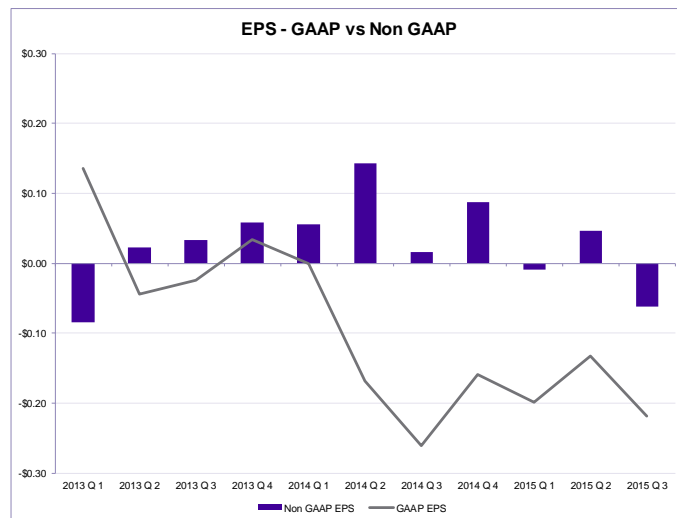
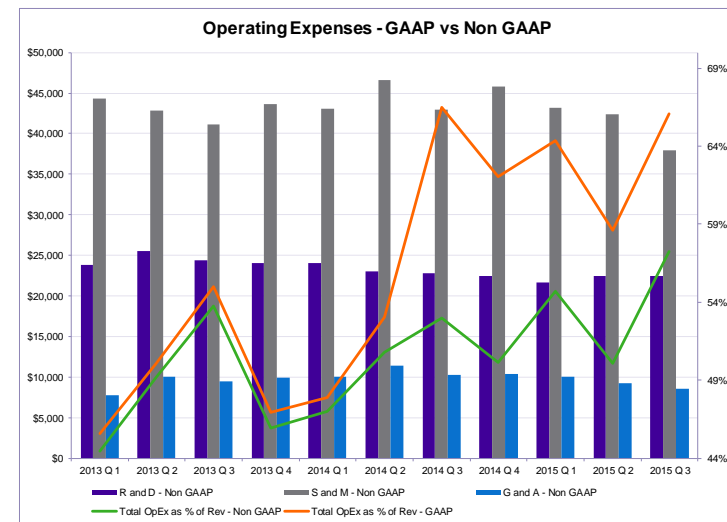


Quarterly Results of Operations (cont'd)

As Reported



Pro Forma

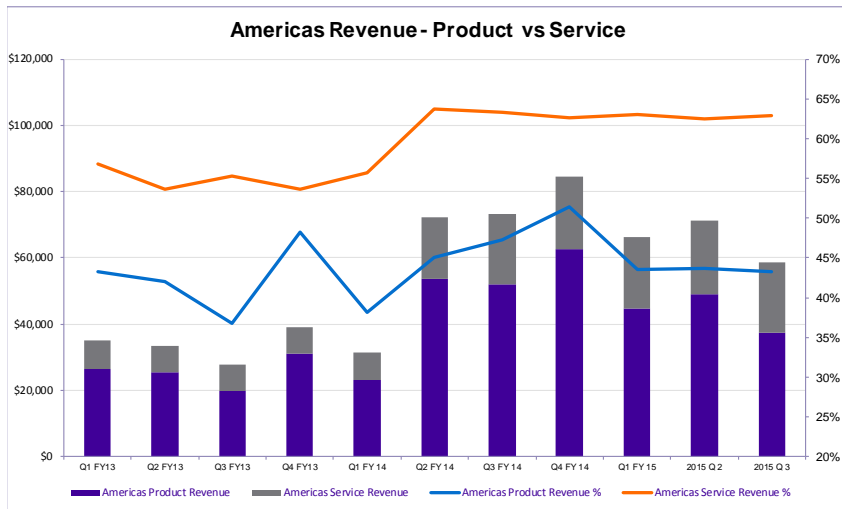


Historical Revenue by Geography: Pro Forma Non GAAP

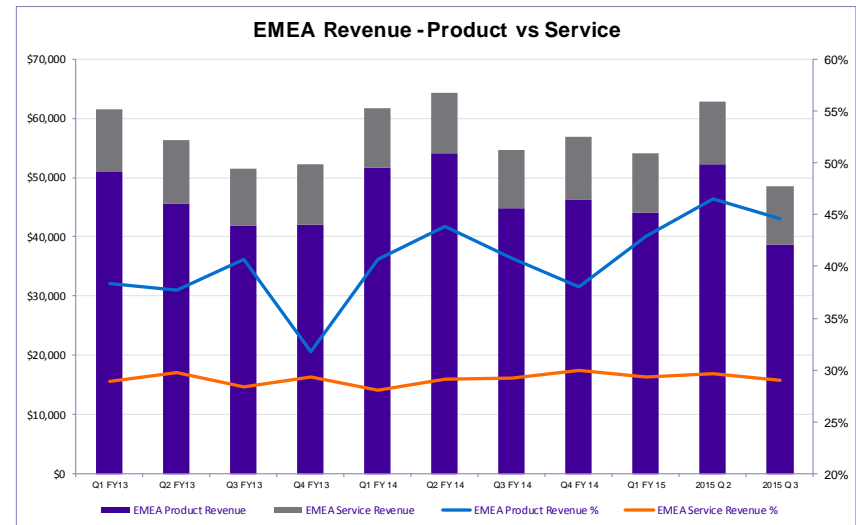
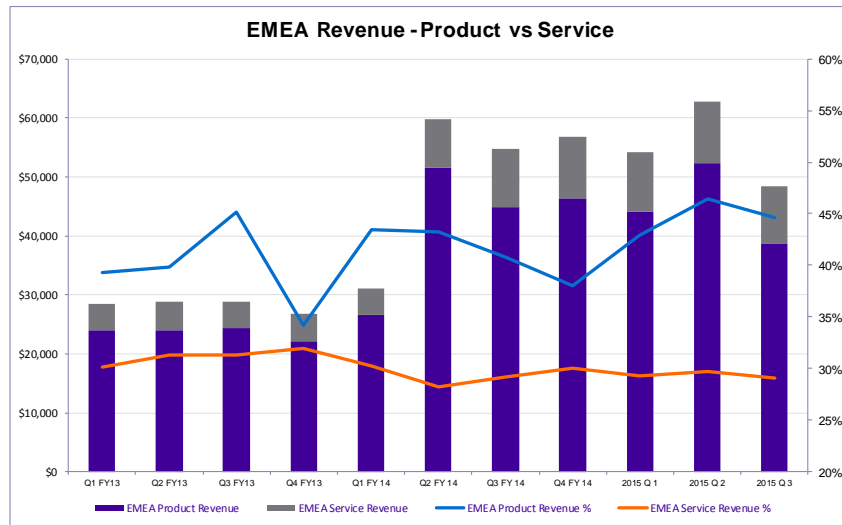
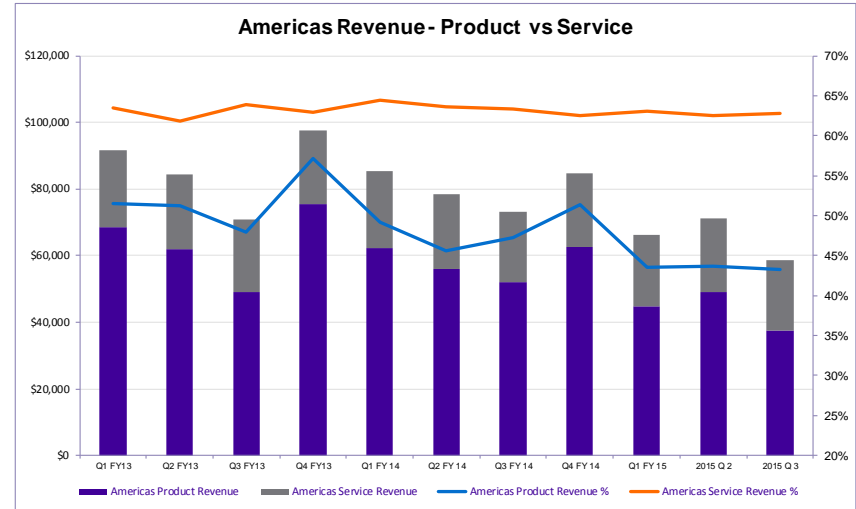
	2014		2015			FQ3'15 v FQ2'15	FQ3'15 v FQ3'14
	Q3	Q4	Q1	Q2	Q3		
Product							
Americas	\$ 51,890	\$ 62,599	\$ 44,670	\$ 49,083	\$ 37,474	\$ (11,609)	\$ (14,416)
EMEA	44,790	46,264	44,074	52,265	38,621	(13,644)	(6,169)
APAC	13,211	12,898	13,928	11,153	10,432	(721)	(2,779)
Total Product	109,891	121,761	102,672	112,501	86,527	(25,974)	(23,364)
Service							
Americas	21,403	21,969	21,684	22,180	21,257	(923)	(146)
EMEA	9,870	10,530	10,081	10,528	9,827	(701)	(43)
APAC	2,510	2,612	2,603	2,765	2,745	(20)	235
Total Service	33,783	35,111	34,368	35,473	33,829	(1,644)	46
Total Revenue							
Americas	73,293	84,568	66,354	71,263	58,731	(12,532)	(14,562)
EMEA	54,660	56,794	54,155	62,793	48,448	(14,345)	(6,212)
APAC	15,721	15,510	16,531	13,918	13,177	(741)	(2,544)
Total Revenue	\$ 143,674	\$ 156,872	\$ 137,040	\$ 147,974	\$ 120,356	\$ (27,618)	\$ (23,318)

Revenue by Geography (Non GAAP)

As Reported

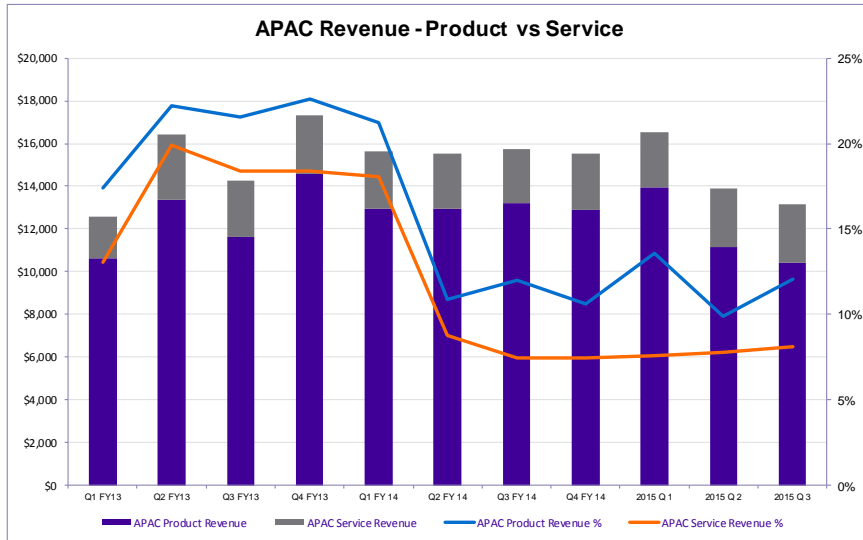


Pro Forma

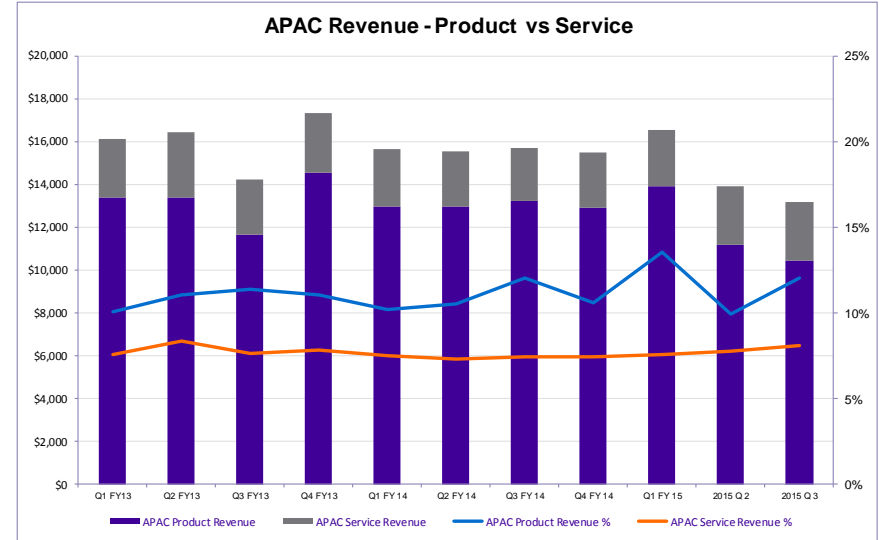


Revenue by Geography (Non GAAP, cont'd)

As Reported



Pro Forma



Financial Highlights – Financial Position



	FY'14		FY'15		
	Q 3	Q 4	Q 1	Q 2	Q 3
Cash and Securities Available for Sale	\$106,056	\$105,882	\$104,462	\$109,293	\$75,573
AR	\$94,187	\$124,664	\$99,980	\$93,519	\$78,727
DSO	59	72	67	57	59
Inventories	\$63,142	\$57,109	\$55,341	\$54,431	\$66,811
DOI	108	92	92	81	121
Debt Payable	\$122,375	\$121,563	\$120,750	\$89,125	\$68,500
Free Cash Flow	(\$30,569)	(\$1,214)	(\$1,152)	\$38,643	(\$9,620)
Cap Ex	\$4,822	\$4,988	\$2,784	\$1,178	\$1,648

Non-GAAP Adjustment Trends

	FY'14		FY'15		
	Q 3	Q 4	Q 1	Q 2	Q 3
Deferred Revenue Adjustment	\$ 1,912	\$ 1,579	\$ 766	\$ 766	\$ 766
Adjustment to Acquired Inventory	1,891	-	-	-	-
Amortization of Product Intangibles	4,042	4,292	4,292	4,292	4,292
Stock Comp in Product COGS	268	268	283	275	265
Stock Comp in Service COGS	420	272	291	272	254
Stock Comp in R&D	1,419	1,551	1,644	1,544	1,423
Stock Comp in Sales and Marketing	1,765	2,815	1,557	1,566	1,291
Stock Comp in G&A	970	1,141	1,038	1,093	1,139
Total Stock Comp	4,842	6,047	4,813	4,750	4,372
Restructuring Charges, net	(6)	11	-	-	-
Executive Transition Costs	-	600	-	-	-
Litigation Settlement	(100)	-	-	-	-
Amortization of Non Product Intangibles	7,666	5,267	4,467	4,467	4,467
Acquisition and Integration Costs	6,443	6,890	4,058	3,500	1,725
Net Non GAAP Adjustments	\$ 26,690	\$ 24,686	\$ 18,396	\$ 17,775	\$ 15,622

FQ4'15 Financial Guidance

FQ4'15 Guidance – Non GAAP (in M's except EPS)

	FQ3'15	FQ4'15 Guidance
Revenue (\$M)	\$120.4	\$125 - \$135
Gross Margin %	52.6%	53.5% - 54.5%
Net Income (Loss)	(\$7.9)	(\$4.0) – \$0.0
EPS: non-GAAP	(\$0.08)	(\$0.04) - \$0.00



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