

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 17, 2001

EXTREME NETWORKS, INC.
(Exact name of registrant as specified in its charter)

Delaware

000-25711

77-0430270

(State or other jurisdiction of
incorporation)

(Commission File Number)

(IRS Employer Identification No.)

3585 Monroe Street
Santa Clara, California 95051
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (408) 579-2800

Not Applicable
(Former name or former address, if changed since last report)

Item 5. Other Matters.

On October 17, 2001, Extreme Networks, Inc. ("Extreme") issued a press release announcing its first quarter financial results for the period ending September 30, 2001, which press release included forward-looking statements relating to 2002. A copy of the press release issued by Extreme regarding the foregoing first quarter financial results, together with forward-looking statements relating to 2002, is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

Exhibits.

Exhibit No. -----	Description -----
99.1	Press Release dated October 17, 2001 regarding financial information for Extreme for the fiscal quarter ended September 30, 2001 and forward-looking statements relating to 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXTREME NETWORKS, INC.

Date: October 23, 2001

By: /s/ Harold L. Covert

Harold L. Covert
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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99.1	Press Release dated October 17, 2001 regarding financial information for Extreme for the fiscal quarter ended September 30, 2001 and forward-looking statements relating to 2002.

FOR IMMEDIATE RELEASE

For more information, contact:

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EXTREME NETWORKS REPORTS FIRST QUARTER RESULTS

Company met analysts revenue expectations, achieved breakeven performance
and positive cash flow

SANTA CLARA, Calif., Oct. 17, 2001 - Extreme Networks, Inc., (Nasdaq: EXTR), a leader in Ethernet networking, today reported its first quarter results for the period ending September 30, 2001.

Net revenue for the first quarter of fiscal 2002 was \$108.3 million, compared to \$119.3 million for the same period last year. On a pro-forma basis Extreme Networks broke even for the first quarter of fiscal 2002, compared with pro-forma net income of \$9.0 million, or \$0.08 per share for the first quarter of fiscal 2001.

Actual net loss for the first quarter, which includes a charge of \$40.1 million, amortization of goodwill and intangible assets, and deferred compensation of \$14.7 million, was \$36.0 million or \$0.32 per share, compared with net income of \$4.5 million or \$0.04 per share for the same period last year.

"Although we were faced with the national tragedies of Sept. 11 at the most critical time during our quarter, we effectively managed all key aspects of our business," said Gordon Stitt, CEO and president of Extreme Networks. "We continue to gain new customers and increase our presence

in existing installations, demonstrating that even during these difficult economic times our Ethernet switching systems remain very attractive to companies around the world. Our customer roster shows the strong inroads we made during the quarter in the regions that are actively building communications infrastructures, such as Japan and China.

"We have a strong product introduction schedule that strengthens our unique position to offer networking solutions that are simpler to manage, offer higher performance, provide a better return on investment and makes us well poised for growth when the sector returns to a more stable state. And, while our strategy makes us feel optimistic about the future, we are closely monitoring economic conditions and our operations to ensure that we continue to provide value to our shareholders."

Conference Call

Extreme Networks will host a conference call to discuss these results at 2 p.m. PT; for more information visit www.extremenetworks.com.

About Extreme Networks

Extreme Networks, Inc., delivers the most effective applications infrastructure by creating networks that are faster, simpler and more cost-effective. Headquartered in Santa Clara, Calif., Extreme Networks markets its network switching solutions in more than 50 countries. For more information, visit www.extremenetworks.com.

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This announcement contains forward-looking statements that involve risks and uncertainties, including statements about future events or trends, and steps that we plan to take with respect to the financial results or financial condition of our company. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors, including, but not limited to: (i) our rapid growth and potential risks associated with this growth, and a limited operating history and limited history of profitability that make it more difficult to predict results; (ii) current economic trends in worldwide geographic markets; (iii) fluctuations in demand for our products and services; (iv) a highly competitive business environment for network switching equipment; and (v) the possibility that we might experience delays in the development of new technology and products. More information about potential factors that could affect our business and financial results is included in our Annual Report on Form 10-K for the year ended June 30, 2001, 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 (<http://www.sec.gov>).

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per-share amounts)
(Unaudited)

	Three Months Ended	
	September 30, 2001	September 30, 2000
Net revenue	\$ 108,289	\$ 119,342
Cost and expenses:		
Cost of revenue	83,312	58,090
Research and development	16,411	11,743
Sales and marketing	36,985	35,115
General and administrative	8,113	4,279
Goodwill and deferred stock compensation	14,726	6,850
Total costs and expenses	159,547	116,077
Operating income (loss)	(51,258)	3,265
Other income (expense), net	(3,578)	3,709
Income (loss) before income taxes	(54,836)	6,974
Provision (benefit) for income taxes	(18,828)	2,441
Net income (loss)	\$ (36,008)	\$ 4,533
Net income (loss) per share - basic	\$ (0.32)	\$ 0.04
Net income (loss) per share - diluted	\$ (0.32)	\$ 0.04
Shares used in per share calculation - basic	111,953	105,990
Shares used in per share calculation - diluted	111,953	118,892

EXTREME NETWORKS, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (i)
(In thousands, except per-share amounts)
(Unaudited)

	Three Months Ended	
	September 30, 2001	September 30, 2000
Net revenue	\$ 108,289	\$ 119,342
Cost and expenses:		
Cost of revenue	51,862	58,090
Research and development	16,411	11,743
Sales and marketing	36,985	35,115
General and administrative	5,413	4,279
Total costs and expenses	110,671	109,227
Operating income (loss)	(2,382)	10,115
Other income, net	2,422	3,709
Income before income taxes	40	13,824
Provision for income taxes	14	4,838
Net income	\$ 26	\$ 8,986
Net income per share - basic	\$ 0.00	\$ 0.09
Net income per share - diluted	\$ 0.00	\$ 0.08
Shares used in per share calculation - basic	111,953	105,990
Shares used in per share calculation - diluted	118,416	118,892

(i) The pro forma statements exclude the impact of charges relating to contract manufacturers of \$12.5 million in Q1 of 2002, other costs associated with the carrying value of inventory of \$19.0 million in Q1 of 2002, the amortization of goodwill, intangibles and deferred stock compensation in all periods, a provision for bad debts of \$2.7 million in Q1 of 2002 and minority investment write-downs in Q1 of 2002 of \$6.0 million.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	September 30, 2001	June 30, 2001
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Assets		
Current assets:		
Cash, cash equivalents and investments	\$ 160,265	\$ 157,096
Accounts receivable, net	52,077	63,211
Inventories, net	51,584	60,529
Deferred tax assets	25,883	35,855
Other current assets	414	2,235
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Total current assets	290,223	318,926
Property and equipment, net	57,966	57,251
Restricted investments	80,000	80,000
Investments	45,145	34,406
Goodwill and intangibles	102,034	113,886
Deferred tax assets	69,857	40,028
Other long-term assets	6,243	12,025
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Total assets	\$ 651,468	\$ 656,522
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Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 50,230	\$ 35,890
Deferred revenue	30,860	25,537
Accrued liabilities	49,556	46,067
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Total current liabilities	130,646	107,494
Long term deposit	266	266
Total stockholders' equity	520,556	548,762
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Total liabilities and stockholders' equity	\$ 651,468	\$ 656,522
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