

**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):
January 5, 2007**

EXTREME NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-25711
(Commission File No.)

77-0430270
(I.R.S. Employer
Identification No.)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

(a) On January 8, 2007, Extreme Networks, Inc. (the “Company”) issued a press release announcing an update on the on-going, previously-announced internal review of the Company’s historical practices for stock option grants and the accounting for option grants being conducted by a special committee of the Company’s Board of Directors (the “Special Committee”). A copy of the Company’s press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

At this time, the Special Committee has not completed its work, nor has it reached its final conclusions. However, based on the Special Committee’s review to date, on January 5, 2007 the Company and the Audit Committee reached a preliminary conclusion that the appropriate measurement dates for financial accounting purposes of certain stock option grants differ from the recorded grant dates of those awards. The evaluation of the accounting impact resulting from the change in measurement dates for certain stock option grants is still ongoing. However, the Company and the Audit Committee have concluded, after consultations with management and independent advisors, that additional non-cash charges for stock-based compensation expense will be required that will be material with respect to certain fiscal periods.

The Company expects to restate certain historical financial statements to record the additional stock-based compensation expense and related tax impacts, and will also evaluate any other unrecorded adjustments previously determined to be immaterial. Accordingly, the financial statements, related notes and selected financial data and all financial press releases and similar communications issued by the Company and the related reports of the independent registered public accounting firm relating to fiscal periods 2000 through 2005 and the first, second and third quarters of 2006 should no longer be relied upon.

The Company’s management and the Audit Committee have discussed the matters disclosed under this Item 4.02(a) with Ernst & Young LLP, the Company’s independent registered public accounting firm.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated January 8, 2007.

SIGNATURES

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

Date: January 11, 2007

EXTREME NETWORKS, INC.

By: */s/ Michael J. Palu*

Michael J. Palu
Vice President, Corporate Controller,
Acting Chief Financial Officer

FOR IMMEDIATE RELEASE**For more information, contact:**

Extreme Networks Public Relations
Gregory Cross
408/579-3483
gcross@extremenetworks.com

**EXTREME NETWORKS, INC. PROVIDES UPDATE ON STOCK OPTION REVIEW
AND ANNOUNCES EXPECTED RESTATEMENT OF
PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

SANTA CLARA, Calif. – January 8, 2007 – Extreme Networks, Inc. (Nasdaq: EXTR) (the “Company”) announced an update on the on-going, previously-announced, internal review being conducted by a special committee of the Company’s Board of Directors (the “Special Committee”) of historical stock option grants and related accounting.

Based on that on-going review, the Company has reached a preliminary conclusion that the appropriate measurement dates for financial accounting purposes of certain stock option grants differ from the recorded grant dates of those awards. The evaluation of the accounting impact resulting from the change in measurement dates for those stock option grants is still on-going. However, the Company and the Audit Committee have concluded, after consultations with management and independent advisors, that additional non-cash charges for stock-based compensation expense will be required that will be material with respect to certain fiscal periods.

The Company expects to restate certain historical financial statements to record the additional stock-based compensation expense and related tax impacts, and will also evaluate any other unrecorded adjustments previously determined to be immaterial. The Company today filed a Form 8-K with the Securities and Exchange Commission stating that the financial statements, related notes and selected financial data and all financial press releases and similar communications issued by the Company and the related reports of the independent registered public accounting firm relating to fiscal periods 2000 through 2005 and the first, second and third quarters of 2006 should no longer be relied upon.

As soon as practicable following the completion of the internal review by the Special Committee and the review of conclusions of the Special Committee by the Company and the Company’s registered independent public accounting firm, the Company intends to prepare restated financial statements for all affected periods and thereafter become current on the filing of its periodic reports required under the Securities Exchange Act of 1934, as amended.

About Extreme Networks, Inc.

Extreme Networks designs, builds, and installs Ethernet infrastructure solutions that solve the toughest business communications challenges. Our commitment to open networking sets us apart from the alternatives by delivering meaningful insight and unprecedented control to applications

and services. We believe openness is the best foundation for growth, freedom, flexibility, and choice. We focus on enterprises and service providers who demand high performance, converged networks that support voice, video and data, over a wired and wireless infrastructure.

Forward Looking Statements

This report contains forward-looking statements that involve risks and uncertainties, including statements regarding the determinations resulting from the preliminary conclusions based upon the preliminary results of the internal investigation by the Special Committee of the Company's stock option grant practices and related accounting issues. Factors that could cause actual results to differ materially include further decisions by the Board of Directors, or the Audit Committee (and the timing of such decisions) concerning matters relating to the Company's stock option grants and related accounting issues; the impact of any restatement of financial statements of the Company or other actions that may be taken or required as a result of such reviews; the inability of the Company to file reports with the SEC on a timely basis; risks associated with the Company's inability to meet Nasdaq requirements for continued listing, including possible delisting; and risks of litigation related to these issues, potential claims and proceedings relating to such matters, including shareholder or employee litigation and action by the SEC and/or other regulatory agencies, and negative tax or other implications for the Company resulting from any accounting adjustments or other factors. The Company does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

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Extreme Networks is a registered trademark of Extreme Networks, Inc. in the United States and/or other countries.