

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**SCHEDULE TO  
TENDER OFFER STATEMENT**  
under Section 14(d)(1) or Section 13(e)(1) of the Securities Exchange Act of 1934

**EXTREME NETWORKS, INC.**

(Name Of Subject Company (Issuer))

**EXTREME NETWORKS, INC.**

(Name of Filing Persons (Offeror))

**Common Stock, \$0.001 par value**  
**(including the associated preferred stock purchase rights)**  
(Title of Class of Securities)

**30226D106**  
(CUSIP Number of Class of Securities)

**Mark A. Canepa**  
**President and Chief Executive Officer**  
**Extreme Networks, Inc.**  
**3585 Monroe Street**  
**Santa Clara, California 95051**  
**(408) 579-2800**

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

*with copies to:*

**Diane Holt Frankle, Esq.**  
**DLA Piper US LLP**  
**2000 University Avenue**  
**Palo Alto, California 94303**  
**(650) 833-2000**

**CALCULATION OF FILING FEE**

Transaction Valuation\*  
\$100,000,000

Amount of Filing Fee\*\*  
\$3,930

- \* Estimated solely for purposes of calculating the filing fee pursuant to Rules 0-11 under the Securities Exchange Act of 1934, as amended, based on the dollar amount to be used in the purchase of shares in the tender offer described in this Schedule TO.
- \*\* The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$39.30 per million of the aggregate amount of transaction value.
- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- |                           |     |
|---------------------------|-----|
| Amount Previously Paid:   | N/A |
| Form or Registration No.: | N/A |
| Filing Party:             | N/A |
| Date Filed:               | N/A |

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Tender Offer Statement on Schedule TO (together with the exhibits hereto, this “**Schedule TO**”) relates to a tender offer by Extreme Networks, Inc. (“**Extreme**” or the “**Company**”) to purchase \$100 million of its shares of common stock, par value \$0.001 per share, including the associated Series A preferred stock purchase rights issued under the Rights Agreement, dated as of April 27, 2001, between the Company and Mellon Investor Services LLC, as Rights Agent, at a price not more than \$3.70 nor less than \$3.30 per share, to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the offer to purchase, dated August 11, 2008 (the “**Offer to Purchase**”) and the accompanying letter of transmittal (the “**Letter of Transmittal**”), which together, as each may be amended and supplemented from time to time, constitute the tender offer (the “**Offer**”). This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) of the Securities Exchange Act of 1934, as amended.

The information contained in the Offer to Purchase and the accompanying Letter of Transmittal, copies of which are attached to this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively, is incorporated herein by reference in response to all of the items of this Schedule TO as more particularly described below.

**ITEM 1. SUMMARY TERM SHEET**

The information set forth in the Summary Term Sheet of the Offer to Purchase is incorporated herein by reference.

**ITEM 2. SUBJECT COMPANY INFORMATION**

(a) *Name and Address.* The name of the issuer is Extreme Networks, Inc. The address of its principal executive offices is 3585 Monroe Street, Santa Clara, California 95051. The telephone number of the principal executive offices of Extreme is (408) 579-2800.

(b) *Securities.* The information set forth in the Introduction to the Offer to Purchase is incorporated herein by reference.

(c) *Trading and Market Price.* The Company’s common stock is traded on the NASDAQ Global Market under the symbol “EXTR.” The information set forth in Section 8 of the Offer to Purchase (“Price Range of Shares; Dividends; Rights Agreement”) is incorporated herein by reference.

**ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON**

The Company is the filing person. The Company’s address and telephone number are set forth in Item 2 above. The information set forth in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

**ITEM 4. TERMS OF THE TRANSACTION**

(a) *Material Terms.* The following sections of the Offer to Purchase contain information regarding the material terms of the transaction and are incorporated herein by reference:

- Summary Term Sheet;
- Introduction;
- Section 1 (“Number of Shares; Proration; Odd Lots”);
- Section 2 (“Purpose of the Offer; Certain Effects of the Offer; Other Plans or Proposals”);
- Section 3 (“Procedures for Tendering Shares”);
- Section 4 (“Withdrawal Rights”);

- Section 5 (“Purchase of Shares and Payment of Purchase Price”);
- Section 6 (“Conditional Tender of Shares”);
- Section 7 (“Conditions of the Offer”);
- Section 9 (“Source and Amount of Funds”);
- Section 11 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”);
- Section 14 (“Certain United States Federal Income Tax Consequences”); and
- Section 15 (“Extension of the Offer; Termination; Amendment”).

(b) *Purchases*. The information set forth in the Introduction to the Offer to Purchase and in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

**ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS**

(e) *Agreements Involving the Subject Company’s Securities*. The information set forth in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

**ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS**

(a); (b); (c) *Purposes; Use of Securities Acquired; Plans*. The following sections of the Offer to Purchase, which contain information regarding the purposes of the transaction, the use of securities acquired in the transaction and plans, are incorporated herein by reference:

- Summary Term Sheet; and
- Section 2 (“Purpose of the Offer; Certain Effects of the Offer; Other Plans or Proposals”).

**ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION**

(a); (b); (d) *Source of Funds; Conditions; Borrowed Funds*. The information set forth in Section 9 (“Source and Amount of Funds”) and Section 7 (“Conditions of the Offer”) of the Offer to Purchase is incorporated herein by reference.

**ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY**

(a); (b) *Securities Ownership; Securities Transactions*. The information set forth in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares”) is incorporated herein by reference.

**ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED**

(a) *Solicitations or Recommendations*. The information set forth in Section 16 of the Offer to Purchase (“Fees and Expenses”) is incorporated herein by reference.

**ITEM 10. FINANCIAL STATEMENTS**

Not applicable.

**ITEM 11. ADDITIONAL INFORMATION**

(a) *Agreements, Regulatory Requirements and Legal Proceedings.* The information set forth in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares”), Section 12 of the Offer to Purchase (“Effects of the Offer on the Market for Our Shares; Registration Under the Securities Exchange Act of 1934”) and Section 13 of the Offer to Purchase (“Legal Matters; Regulatory Approvals”) is incorporated herein by reference.

(b) *Other Material Information.* The information set forth in the Offer to Purchase and the accompanying Letter of Transmittal, copies of which are filed with this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively, as each may be amended or supplemented from time to time, is incorporated herein by reference.

**ITEM 12. EXHIBITS**

See Exhibit Index immediately following the signature page.

**ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3**

Not applicable.

**SIGNATURES**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Extreme Networks, Inc.

Dated: August 11, 2008

By: \_\_\_\_\_ /s/ MARK A. CANEPA  
Name: **Mark A. Canepa**  
Title: **President and Chief Executive Officer**

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Document</u>
(a)(1)(A)	Offer to Purchase dated August 11, 2008.
(a)(1)(B)	Form of Letter of Transmittal.
(a)(1)(C)	Form of Notice of Guaranteed Delivery (including Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on substitute Form W-9).
(a)(1)(D)	Form of Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees.
(a)(1)(E)	Form of Letter to Clients for Use by Brokers, Dealers, Banks, Trust Companies and Other Nominees.
(a)(5)(A)	Press Release issued on August 11, 2008.
(a)(5)(C)	Form of Summary Advertisement.
(d)(1)	Extreme Networks, Inc. 2005 Equity Incentive Plan. <sup>(1)</sup>

<sup>(1)</sup> Incorporated by reference to Exhibit 99.1 to Extreme Networks, Inc. Form 8-K filed on December 8, 2005.

**EXTREME NETWORKS, INC.**  
**OFFER TO PURCHASE FOR CASH**  
**\$100 MILLION WORTH OF ITS COMMON STOCK,**  
**UP TO A MAXIMUM OF 30,303,030 SHARES**  
**(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS),**  
**AT A PER SHARE PURCHASE PRICE NOT LESS THAN \$3.30 PER SHARE NOR GREATER**  
**THAN**  
**\$3.70 PER SHARE**

THE OFFER, PRORATION PERIOD AND YOUR RIGHT TO WITHDRAW YOUR SHARES WILL EXPIRE AT 5:00 P.M., NEW YORK TIME, ON SEPTEMBER 12, 2008, UNLESS THE OFFER IS EXTENDED. WE MAY EXTEND THE OFFER PERIOD AT ANY TIME.

**Extreme Networks, Inc. is:**

- Offering to purchase \$100 million worth of shares of our common stock, including the associated preferred stock purchase rights, in a tender offer (the “*Offer*”), or such lesser value of shares as are properly tendered; and
- Offering to purchase these shares at a price not less than \$3.30 nor greater than \$3.70 per share in cash, without interest. Accordingly, we will purchase up to a maximum of 30,303,030 shares.

**If you want to tender your shares in the Offer, you should:**

- Specify the price between \$3.30 and \$3.70 (in increments of \$0.05) per share at which you are willing to tender your shares or, if you wish to maximize the chance that your shares will be purchased at the purchase price determined by us pursuant to the Offer, you should check the box in the accompanying letter of transmittal (the “*Letter of Transmittal*”) below the caption “Shares Tendered at Price Determined Pursuant to the Offer”;
- Specify the number of shares you want to tender; and
- Follow the instructions in this offer to purchase (the “*Offer to Purchase*”) and the related documents, including the accompanying Letter of Transmittal, to submit your shares.

**When the Offer expires:**

- We will select the lowest purchase price specified by tendering stockholders that will enable us to purchase \$100 million worth of shares or, if shares with an aggregate value of less than \$100 million are tendered at or below the maximum price of \$3.70 per share, all shares that are properly tendered and not properly withdrawn;
- All shares acquired in the Offer will be acquired at the same purchase price regardless of whether a stockholder tenders any shares at a lower price; and
- If the number of shares tendered at or below the selected price is worth in excess of \$100 million, as measured at such selected price, we will purchase shares at the selected price on a pro rata basis (subject to the “odd lot” priority described in *Section 1* and the considerations for conditional tenders described in *Section 6*) from all stockholders who properly tendered shares at or below the selected price, with appropriate adjustments to avoid purchases of fractional shares.

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**Our common stock:**

- Is listed and traded on the NASDAQ Global Market (“*NASDAQ*”) under the symbol “EXTR,” and
- Had a closing price of \$3.18 per share on August 8, 2008, the last full trading day before we commenced the Offer. We urge you to obtain current market quotations for the shares.

**The Offer is not conditioned on any minimum number of shares being tendered. The Offer is, however, subject to other conditions, some or all of which we may elect to waive as discussed in Section 7, “Conditions of the Offer.”**

Our board of directors has approved this Offer. However, neither we, nor our subsidiaries, our board of directors or executive officers, the information agent, the depository or the dealer manager is making any recommendation to you as to whether you should tender or not tender your shares or as to what price or prices you should choose to tender your shares. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them.

This Offer to Purchase contains important information about the Offer, including the risks to non-tendering stockholders beginning on page 10. We urge you to read this Offer to Purchase, including the documents incorporated by reference, and the related Letter of Transmittal, in their entirety.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of the transaction or passed upon the adequacy or accuracy of the information contained in this Offer to Purchase. Any representation to the contrary is a criminal offense.**

The Dealer Manager for the Offer is:



**Goldman, Sachs & Co.**

Offer to Purchase dated August 11, 2008



## IMPORTANT PROCEDURES

If you want to tender all or part of your shares, you must do one of the following before the Offer expires:

- if your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your shares for you;
- if you hold certificates in your own name, complete and sign a Letter of Transmittal according to its instructions, and deliver it, together with any required signature guarantees, the certificates for your shares and any other documents required by the Letter of Transmittal, to Mellon Investor Services LLC (“*Mellon*”), the depository for the Offer;
- if you are an institution participating in The Depository Trust Company, which we call the “book-entry transfer facility” in this Offer to Purchase, tender your shares according to the procedure for book-entry transfer described in *Section 3*; or
- if you are a holder of vested options, you may exercise your vested options and tender any of the shares issued upon exercise; however, you must exercise your vested options at least five business days prior to the expiration date of the Offer (which, unless the Offer is extended, will require you to exercise such options no later than 5:00 p.m., New York time, on September 5, 2008) in order to provide you with sufficient time to properly tender the shares in the Offer.

If you want to tender your shares, but:

- your certificates for the shares are not immediately available or cannot be delivered to the depository by the expiration of the Offer; or
- you cannot comply with the procedure for book-entry transfer by the expiration of the Offer; or
- your other required documents cannot be delivered to the depository by the expiration of the Offer,

then you can still tender your shares if you comply with the guaranteed delivery procedure described in *Section 3*.

**To tender your shares you must follow the procedures described in this Offer to Purchase, the Letter of Transmittal and the other documents related to the Offer, including choosing a price at which you wish to tender your shares.**

If you wish to maximize the chance that your shares will be purchased by us, you should check the box below the caption “Shares Tendered at a Price Determined Pursuant to the Offer” in the section of the Letter of Transmittal called “Price at Which You Are Tendering.” Accordingly, your tendered shares will be treated the same as shares tendered at the minimum price of \$3.30 per share.

If you have questions or need assistance, you should contact MacKenzie Partners, Inc. (“*MacKenzie*”), which is the information agent for the Offer, at the address or telephone number on the back page of this Offer to Purchase. You may request additional copies of this Offer to Purchase, the Letter of Transmittal or the notice of guaranteed delivery from the information agent.

**We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering shares in the Offer. We have not authorized any person to give any information or to make any representation on our behalf in connection with the Offer other than those contained in this Offer to Purchase or in the related Letter of Transmittal. If given or made, any recommendation, information or representation must not be relied upon as having been authorized by us, the dealer manager or the information agent.**

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## SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights material information in this Offer to Purchase (the “**Offer to Purchase**”), but you should realize that it does not describe all of the details of the Offer to the same extent that they are described in the body of this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the Offer. We have included references to the sections of this Offer to Purchase where you will find a more complete discussion. In this Offer to Purchase, we use the terms “Extreme Networks, Inc.,” “Extreme,” “we,” “us” and “our” to refer to Extreme Networks, Inc. and its subsidiaries.

### Who is offering to purchase my shares?

Extreme Networks, Inc., a Delaware corporation, is offering to purchase \$100 million worth of its shares of outstanding common stock, including the associated preferred stock purchase rights (the “**Offer**”) or such lesser value of shares as are properly tendered. See Section 1.

### What will be the purchase price?

- The price range for the Offer is \$3.30 to \$3.70 per share. We are conducting the Offer through a procedure commonly called a “modified Dutch auction.” This procedure allows you to choose a price (in increments of \$0.05 per share) within this price range at which you are willing to sell your shares.
- We will look at the prices chosen by stockholders for all of the shares properly tendered. We will then select the lowest price that will enable us to buy shares with an aggregate maximum value of \$100 million. If less than \$100 million worth of shares are properly tendered, measured at the maximum price at which such shares are properly tendered, we will select the price that will enable us to buy all shares that were properly tendered. All shares we purchase will be purchased at the same price, even if you have chosen a lower price, but we will not purchase any shares tendered at a price above the price selected in accordance with these procedures.
- If you wish to maximize the chance that your shares will be purchased, you should check the box below the caption “Shares Tendered at a Price Determined Pursuant to the Offer” in the section of the Letter of Transmittal called “Price at Which You Are Tendering.” Accordingly, your tendered shares will be treated the same as shares tendered at the minimum price of \$3.30 per share. See Section 1.

### How many shares will Extreme purchase?

- We will purchase \$100 million worth of shares of our common stock, as long as this amount is properly tendered by our stockholders. At the minimum price of \$3.30 per share in the Offer, we will purchase a maximum of 30,303,030 shares, or approximately 26% of our outstanding common stock as of August 7, 2008. At the maximum price of \$3.70 per share in the Offer, we will purchase a maximum of 27,027,027 shares, or approximately 23% of our outstanding common stock as of August 7, 2008. All purchases are subject to the terms and conditions of the Offer. See Sections 1 and 2.
- The Offer is not conditioned on any minimum number of shares being tendered, but is subject to a number of other important conditions described below.

### What will be the form of payment of the purchase price?

If your shares are purchased in the Offer, you will be paid the purchase price in cash, less any applicable withholding taxes and without interest, for all your shares that we purchase pursuant to the Offer. We will pay the purchase price promptly after the Offer expires, but under no circumstances will we pay interest on the purchase price, even if there is a delay in making payment. See Sections 1 and 5.

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### **How will Extreme obtain the funds to make the payment?**

The aggregate purchase price for the shares purchased in the Offer will be approximately \$100 million, which we will fund from cash on hand.

### **If I tender my shares, how many of my shares will Extreme purchase?**

All of the shares that you tender in the Offer may not be purchased, even if they are tendered at or below the purchase price we select. If more than \$100 million worth of shares (valued at the purchase price) are tendered at or below the selected purchase price, we will purchase shares from all stockholders who properly tender shares at prices equal to or below the selected price, on a pro rata basis. As a result, we will purchase the same percentage of tendered shares from each stockholder who properly tenders shares at prices equal to or below the selected price, subject to the odd lot procedures described in *Section 1* and the conditional tender provisions contained in *Section 6*. We will announce this proration percentage, if proration is necessary, after the Offer expires.

### **What is the purpose of the Offer?**

- With the assistance of management, our board of directors has reviewed a variety of alternatives for using our available financial resources. Among other factors, our board of directors considered our existing and anticipated capitalization and financial position, including our outstanding common stock, financial ratios, the market price of our common stock and our operations, strategy and expectations for the future. Our board of directors believes that the Offer is a prudent use of our financial resources and an effective means of providing value to our stockholders.
- Our board of directors believes that the “modified Dutch auction” tender offer set forth in this Offer to Purchase represents a mechanism to provide all of our stockholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. In addition, if we complete the Offer, stockholders who do not participate in the Offer will automatically increase their relative percentage ownership interest in us and our future operations.
- The Offer, and particularly the preference given to holders of fewer than 100 shares, may reduce the number of holders of our shares and thereby reduce the administrative costs of mailing securities filings and notices to such holders.
- For a further discussion of the potential benefits and the potential risks and disadvantages of the Offer, see “*Risks to Non-tendering Stockholders*” and *Section 2*.

### **What does the board of directors of Extreme think of the Offer?**

Our board of directors has approved the Offer. However, none of Extreme’s management, our board of directors and executive officers, the information agent, depository or the dealer manager is making any recommendation to you as to whether you should tender or refrain from tendering your shares or as to what price or prices you should choose to tender your shares. We are not making a recommendation as to whether you should tender shares into the Offer because we believe that you should make your own decision based on your views as to the value of Extreme’s shares, our prospects and anticipated capitalization following the Offer, as well as your liquidity needs, investment objectives and other individual considerations. Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 30,303,030 shares in the Offer, which represents the maximum number of shares that we would purchase based on the minimum price per share of \$3.30 in the Offer, the proportional beneficial ownership of our directors and executive officers will increase to approximately 7.6%. Our Chairman of the Board, Gordon Stitt, has an option to purchase 380,000 shares at a price of \$2.875 per share, which option expires in October 2008. Mr. Stitt has advised that, while he will not tender shares in the Offer, he may, in compliance with our stock ownership guidelines and applicable law, exercise and sell the shares of common stock subject to this option in open market transactions during the pendency of the Offer at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer.

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In addition, our other directors and executive officers may also, in compliance with stock ownership guidelines and applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. See “*Risks to Non-tendering Stockholders*” and *Section 11*. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. You should discuss whether to tender your shares with your broker or other financial or tax advisor.

### **What are the significant conditions to the Offer?**

- The Offer is not conditioned on our stockholders tendering any minimum number of shares.
- The Offer is subject to a number of conditions, including, among others:
  - That there has been no legal action instituted, threatened in writing, pending or taken that challenges or affects the Offer or materially and adversely affects our and our subsidiaries’ business, properties, assets, liabilities, capitalization, stockholders’ equity, financial condition, operations, results of operations or prospects or otherwise materially impairs the contemplated future conduct of our and our subsidiaries’ business or our ability to exercise full rights of ownership or purchase and hold some or all of the shares purchased in the Offer; and
  - That there has been no change or event discovered or threatened to our business, general affairs, management, financial position, stockholders equity, income, results of operations, condition (financial or otherwise), operations, or prospects or that of our subsidiaries, taken as a whole, or in the ownership of our shares, which in our reasonable judgment is or may be material to us or otherwise makes it inadvisable for us to proceed with the Offer.
- We may terminate the Offer, if, among other things, following the date of this Offer to Purchase another person or entity:
  - Makes a tender offer for our shares;
  - To our knowledge and subject to exceptions, acquires or proposes to acquire more than 5% of our shares; or
  - Files a notification form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 reflecting an intent to acquire Extreme or any of our shares.
- These and other conditions are described in greater detail in *Section 7*.

### **How will the Offer affect the number of shares of common stock outstanding and the number of record holders of Extreme?**

- As of August 7, 2008, we had 116,446,543 issued and outstanding shares of common stock. At the minimum price of \$3.30 per share in the Offer, we will purchase a maximum of 30,303,030 shares, or approximately 26% of our outstanding stock as of August 7, 2008. At the maximum price of \$3.70 per share in the Offer, we will purchase a maximum of 27,027,027 shares, or approximately 23% of our outstanding common stock as of August 7, 2008. Based on the foregoing, if the Offer is fully subscribed, we will have between 86,143,513 and 89,419,516 shares outstanding following the purchase of shares tendered in the Offer. See *Section 2*.
- To the extent any of our stockholders tender their shares in full and that tender is accepted in full, the number of our record holders could be reduced. See “*Risks to Non-tendering Stockholders*” and *Section 2*.
- Stockholders who do not have their shares purchased in the Offer will likely realize a proportionate increase in their relative ownership interest in Extreme. See *Section 2*.

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### **Following the Offer, will Extreme continue as a public company?**

Yes. The completion of the Offer in accordance with its terms and conditions will not cause Extreme to be delisted from NASDAQ or stop being subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). See *Section 2*.

### **How long do I have to decide whether to tender my shares in the Offer? Can Extreme extend the Offer past the initial expiration date?**

- You may tender your shares until the Offer expires. Currently, the Offer is scheduled to expire at 5:00 p.m., New York time, on September 12, 2008. If your shares are held by a nominee or broker, it is likely that they have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We urge you to contact your nominee or broker to find out their deadline.
- We can extend the Offer past this scheduled expiration date in our sole discretion. If we choose to do so, you will be able to tender your shares until 5:00 p.m., New York time, on the day selected as the new expiration date. See *Sections 1 and 15*.

### **Can Extreme amend the terms of the Offer?**

We reserve the right in our sole discretion to amend the tender offer in any respect. See *Section 15*.

### **How do I find out if Extreme amends the terms of the Offer or extends the expiration date?**

We will announce any amendment to the Offer by making a public announcement of the amendment. We will announce any extension of the Offer no later than 9:00 a.m., New York time, on the next business day after the last previously scheduled or announced expiration date. In the event of an extension, termination or postponement of the Offer, we will also give written or oral notice to the depository. See *Section 15*.

### **How do I tender my shares?**

- To tender your shares, you must complete one of the actions described under “Important Procedures” on the inside front cover page of this Offer to Purchase before the Offer expires.
- You may also contact the information agent or your broker for assistance. The contact information for the information agent is on the back page of this Offer to Purchase.
- For a more detailed explanation of the tendering procedures, see *Section 3*.

### **Can I tender shares in the Offer held in my Employee Stock Purchase Plan (“ESPP”) account?**

If you have previously purchased shares as a participant in our ESPP, then you may tender such shares, subject to the terms of the ESPP. Participants in our ESPP who have not yet purchased shares may not participate in the Offer with respect to such unpurchased ESPP shares.

### **Can I participate in the Offer if I hold vested stock options to purchase shares?**

If you hold vested but unexercised options to purchase shares, you may exercise such options in accordance with the terms of the applicable stock option plan and tender the shares received upon such exercise in accordance with the Offer. An exercise of an option cannot be revoked for any reason even if shares received upon the exercise thereof and tendered in the Offer are not purchased in the Offer. See *Section 3*. If your stock options have vested you should follow the instructions in “*Important Procedures*” on the inside front cover of this Offer to Purchase and in Instruction 14 of the Letter of Transmittal. You should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to you, based on your stock option exercise prices, the date of your stock option grants, the years left to exercise your options and the provisions for pro rata purchases by us described in *Section 1*. We strongly encourage you to discuss the Offer with your tax advisor or broker.

**How do holders of vested stock options participate in the Offer?**

If you hold vested but unexercised options, you must exercise such options in accordance with the terms of the applicable stock option or compensation plans and tender the shares received upon such exercise in accordance with the Offer. *See Instruction 14 of the Letter of Transmittal.* You must exercise your vested options at least five business days prior to the expiration date of the Offer (which, unless the Offer is extended, will require you to exercise such options no later than 5:00 p.m., New York time, on September 5, 2008) in order to provide you with sufficient time to properly tender the shares in the Offer.

**Can I participate in the Offer if I hold unvested stock options, stock awards or other restricted equity interests?**

Holders of unvested stock awards or other restricted equity interests may not tender shares or shares represented by such interests.

**In what order will Extreme purchase the tendered shares?**

If the terms and conditions of the Offer have been satisfied or waived and shares worth in excess of \$100 million in the aggregate, measured at the maximum price at which such shares were properly tendered have been properly tendered and not properly withdrawn on or prior to the expiration date of the Offer, we will purchase shares in the following order of priority:

- First, all shares owned in “odd lots” that have been properly tendered;
- Second, after purchase of all of the foregoing shares, all other tendered shares (other than conditionally tendered shares for which the condition was not satisfied) tendered at or below the purchase price on a pro rata basis, if necessary; and
- Third, if necessary to permit us to purchase \$100 million worth of shares, such shares conditionally tendered at or below the purchase price for which the condition was not initially satisfied, to the extent feasible, by random lot (to be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares). *See Section 1.*

**If I own fewer than 100 shares and I tender all of my shares, will I be subject to proration?**

No. If you properly tender, and do not properly withdraw, your shares according to the procedures specified for holders of “odd lots,” we will purchase all of your shares without subjecting them to the proration procedure. *See Section 1.*

**Can I tender shares in the Offer subject to the condition that a specified minimum number of my shares must be purchased in the Offer?**

Yes, you may tender your shares subject to this condition by following the procedures set forth in *Section 6.*

**How and when will I be paid?**

- If your shares are purchased in the Offer, you will be paid the purchase price less all tax withholdings, in cash, without interest, promptly after the expiration date of the Offer period and the acceptance of the shares for payment. There may be tax consequences to receiving this payment. *See Sections 3 and 15.*
- We will pay for the shares accepted for payment by depositing the aggregate purchase price with the depository promptly after the expiration date of the Offer. The depository will act as your agent and will transmit to you the payment for all of your shares accepted for payment. *See Section 5.*

**Once I have tendered my shares in the Offer, can I withdraw my tender?**

- You can withdraw your previously tendered shares at any time before the Offer expires, which is initially 5:00 p.m., New York time, on September 12, 2008.
- In addition, after the Offer expires, unless we have already accepted your tendered shares for payment, you may withdraw your shares at any time after 12:01 a.m., New York time, on October 7, 2008. *See Section 4.*

**How do I withdraw previously tendered shares?**

To withdraw your previously tendered shares, you must deliver a written or facsimile notice of withdrawal with the required information to the depository while you still have the right to withdraw. If you have tendered by giving instructions to a bank, broker, dealer, trust company or other nominee, you must instruct the broker or bank to arrange for withdrawal of your shares. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the depository, if your shares have been tendered under the procedure for book-entry transfer set forth in *Section 3*, or if you are exercising options to tender shares. *See Section 4.*

**Do the directors or executive officers of Extreme intend to tender their shares in the Offer?**

Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 30,303,030 shares in the Offer, which represents the maximum amount of shares that we would purchase based on the minimum price per share of \$3.30 in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 7.6%. Our Chairman of the Board, Gordon Stitt, has an option to purchase 380,000 shares at a price of \$2.875 per share, which option expires in October 2008. Mr. Stitt has advised that, while he will not tender shares in the Offer, he may, in compliance with our stock ownership guidelines and applicable law, exercise and sell the shares of common stock subject to this option in open market transactions during the pendency of the Offer at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. In addition, our other directors and executive officers may also, in compliance with stock ownership guidelines and applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. *See “Risks to Non-tendering Stockholders” and Section 11.*

**What are the United States federal tax consequences if I tender my shares to Extreme?**

- Generally, you will be subject to United States federal income taxation when you receive cash from us in exchange for the shares you tender. *See Section 14.*
- The cash you receive generally will be treated either as:
  - Proceeds of a sale or exchange eligible for capital gains treatment; or
  - A dividend to the extent of our available current year or accumulated earnings and profits, and thereafter, first as a non-taxable return of capital (to the extent of your tax basis in our stock) and then as capital gain.
- In the case of foreign stockholders, because it is unclear which characterization applies, we intend to withhold 30% of the gross proceeds paid. *See Section 3.*

**What is the market value of my shares as of a recent date?**

- On August 8, 2008, the last full trading day before we commenced the Offer, the closing per share price of our common stock on NASDAQ was \$3.18.
- We urge you to obtain a current market quotation for your shares before deciding whether and, if so, at what purchase price or prices, to tender your shares. *See Section 8.*



**Will I have to pay brokerage commissions or stock transfer taxes if I tender my shares to Extreme?**

- If you are a registered stockholder and tender your shares directly to the depositary, you will not have to pay any brokerage commissions. If you hold shares through a broker or bank, however, you should ask your broker or bank if you will be charged a fee to tender your shares. *See Section 5.*
- If you instruct the depositary in the Letter of Transmittal to make payment for the shares to the registered holder, you will not incur any stock transfer tax. *See Section 5.*

**Whom can I talk to if I have questions about the Offer?**

- Our information agent can help answer your questions. The information agent is MacKenzie Partners, Inc. You may also contact Goldman, Sachs & Co., the dealer manager for the Offer. Contact information for the information agent and the dealer manager appears on the back page of this Offer to Purchase.

## FORWARD-LOOKING STATEMENTS

This Offer to Purchase contains a number of forward-looking statements, including, among others, statements dealing with the Offer, the date on which we will announce the final proration factor or pay for tendered shares, the repurchase of additional shares in the future, the fees and expenses we will incur in connection with the Offer, the listing and tradability of our stock after the Offer is completed and the continued treatment of our shares as margin securities, sufficiency of our cash reserves, our ability to expand our market penetration, our ability to expand our distribution channels, customer acceptance of our products, our ability to meet the expectations of our customers, our expectations to continue to develop new products and enhance existing products, our expectations regarding the amount of our research and development expenses, our expectations relating to our selling, general and administrative expenses, our efforts to achieve additional operating efficiencies and to review and improve our business systems and cost structure, our expectations to continue investing in technology, resources and infrastructure, our expectations concerning the availability of products from suppliers and contract manufacturers, anticipated product costs and sales prices, our legal risks and prospects for our business and the network infrastructure equipment industry generally. We caution readers that the important factors set forth below, as well as factors discussed in other documents filed by us with the Securities and Exchange Commission, among others, could cause our actual results to differ materially from statements contained in this Offer to Purchase.

These forward-looking statements are based on current management expectations and are subject to substantial risks and uncertainties (many of which are beyond our control) which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. When used herein or in such statements, the words “anticipate,” “believe,” “estimate,” “expect,” “may,” “will,” “should” or the negative thereof and similar expressions as they relate to Extreme or its management are intended to identify such forward-looking statements. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this Offer except as required by law.

Important factors that could cause actual results to differ materially from those implicit in our forward-looking statements include, without limitation, the following:

- Changes in general and/or specific economic conditions in the networking industry;
- Seasonal fluctuations in demand for our products and services, particularly in Asia-Pacific and Europe;
- Our ability to compete domestically and internationally in our intensely competitive industry;
- The level of attrition of our employees, and of our sales force in particular;
- A disproportionate percentage of our sales occurring in the last month of the quarter;
- Reduced visibility into the implementation cycles for our products and our customers’ spending plans;
- Our ability to forecast demand for our products;
- Difficulty in forecasting sales in the volatile telecommunications service provider market;
- Product returns or the cancellation or rescheduling of orders;
- Our ability to develop, introduce, ship and support new products and product enhancements and manage product transitions;
- Announcements and new product introductions by our competitors;
- Our ability to develop and support relationships with enterprise customers, service providers and other potential large customers;
- The loss of larger customers;
- Technological advances by existing or new customers which we are not able to equal;

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- Our ability to achieve targeted cost reductions;
- Fluctuations in warranty or other service expenses actually incurred;
- Our ability to obtain sufficient supplies of sole- or limited-source components for our products on a timely basis;
- Increases in the prices of the components that we purchase;
- Decreases in the prices of the products that we sell;
- Our ability to achieve and maintain desired production volumes and quality levels for our products;
- The mix of products sold and the mix of distribution channels through which products are sold;
- Impairment charges associated with long-lived assets;
- Restructuring costs associated with adjustments to the size of our operations; and
- Costs relating to possible acquisitions and the integration of technologies or businesses.

These and other factors are discussed in our Securities and Exchange Commission filings, including our most recent annual report on Form 10-K, which is incorporated by reference herein.

The list of factors above is illustrative, but by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. All subsequent written and oral forward-looking statements concerning the Offer or other matters addressed in this Offer to Purchase and attributable to us or any person acting on our behalf are qualified by these cautionary statements. Except as required by applicable law, we do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this Offer to Purchase or to reflect the occurrence of unanticipated events.

## RISKS TO NON-TENDERING STOCKHOLDERS

The Offer presents potential risks and disadvantages to our company and our continuing stockholders. In addition to the risk factors disclosed in our annual report on Form 10-K, as supplemented by our quarterly reports on Form 10-Q, which we incorporate into this Offer to Purchase by reference, you should consider the following risks before deciding whether to tender your shares in this Offer.

***Our directors and executive officers do not intend to tender any shares owned by them in the Offer, and as a result, their ownership percentage will likely increase.***

Our directors and executive officers have advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 30,303,030 shares in the Offer, which represents the maximum amount of shares that we would purchase based on the minimum price per share of \$3.30 in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 7.6%. Our Chairman of the Board, Gordon Stitt, has an option to purchase 380,000 shares at a price of \$2.875 per share, which option expires in October 2008. Mr. Stitt has advised that, while he will not tender shares in the Offer, he may, in compliance with our stock ownership guidelines and applicable law, exercise and sell the shares of common stock subject to this option, in open market transactions during the pendency of the Offer, at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. In addition, our other directors and executive officers may also, in compliance with stock ownership guidelines and applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. See Section 11.

***After the completion of the Offer, our common stock will have a smaller public float, which could result in reduced liquidity for our common stock and greater volatility in the market price of our common stock.***

As of August 7, 2008, approximately 112,234,693 shares of our common stock were held by non-affiliated stockholders. Assuming the Offer is fully subscribed, we will have between approximately 86,143,513 and 89,419,516 shares outstanding after the expiration of the Offer, based on the minimum price per share of \$3.30 and the maximum price per share of \$3.70, respectively. Historically, the common stock of a company with a smaller public float has been less liquid than the common stock of a company with broader public ownership, and the trading prices for the common stock of a company with a smaller public float may be more volatile than generally may be the case for more widely held common stock. Among other things, a decreased trading volume of our common stock may have a greater impact on the trading price of our common stock than would be the case if our public float were larger. We cannot predict the prices at which our common stock will trade in the future. Expected future open market purchases, if authorized, would further reduce our public float.

***Future sales of shares of our common stock not purchased by us in this Offer may be made on terms more favorable than the Offer.***

Stockholders who do not tender their shares pursuant to the Offer and stockholders who otherwise retain an equity interest in us as a result of a partial tender of shares or proration will continue to be owners of our common stock. As a result, if we complete the Offer, those stockholders will likely realize a proportionate increase in their relative equity interest in us. Stockholders may be able to sell non-tendered shares in the future on the open market, or otherwise, at a net price significantly higher than the purchase price in the Offer. We can give no assurance as to the price at which a stockholder may be able to sell its shares in the future.

We may in the future purchase additional shares on the open market, in private transactions, through tender offers or otherwise. Any additional purchases may be on the same terms or on terms that are more favorable or less favorable to stockholders than the terms of the Offer. However, SEC Rule 13e-4(f)(6) prohibits us and our affiliates from purchasing any shares, other than pursuant to the Offer, until at least ten business days after the date of termination of the Offer.

## INTRODUCTION

To the Holders of Common Stock of Extreme Networks, Inc.:

Extreme Networks, Inc., a Delaware corporation, invites its stockholders to tender \$100 million worth of shares of our common stock, par value \$0.001 per share, including the associated preferred stock purchase rights, for purchase by Extreme at prices not less than \$3.30 nor greater than \$3.70 per share in cash, without interest, as specified by tendering stockholders, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal, which together constitute the “*Offer*.”

We plan to fund this Offer with \$100 million of cash on hand. We will select the lowest purchase price specified by tendering stockholders that will enable us to purchase \$100 million worth of shares or, if shares with an aggregate value of less than \$100 million are tendered at or below the maximum price of \$3.70 per share, all shares that are properly tendered and not properly withdrawn. All shares acquired in the Offer will be acquired at the same purchase price regardless of whether a stockholder tendered any shares at a lower price.

We reserve the right, in our sole discretion, to purchase more than \$100 million worth of our shares in the Offer by amending the terms of the Offer to reflect this change in the manner set forth in *Section 15*.

We will purchase only those shares properly tendered at prices at or below the purchase price, and not properly withdrawn. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, we will not purchase all of the shares tendered at or below the purchase price if more than the number of shares we seek are tendered. We will return shares tendered at prices in excess of the purchase price and shares we do not purchase because of the “odd lot” priority, proration or conditional tenders promptly following the expiration of the Offer.

Tendering stockholders whose shares are registered in their own names and who properly tender their shares directly to Mellon, the depository for the Offer, will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 7 of the Letter of Transmittal, stock transfer taxes on the purchase of shares by us in the Offer. If you own your shares through a bank, broker, dealer, trust company or other nominee and that person tenders your shares on your behalf, that person may charge you a fee for doing so. You should consult your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

**The Offer is not conditioned on a minimum number of shares being tendered. The Offer, however, is subject to other important conditions. See *Section 7*.**

**Our board of directors has approved the Offer. However, neither we, nor any of our board of directors, executive officers, the information agent, depository or the dealer manager is making any recommendation to you as to whether you should tender or refrain from tendering your shares or as to what price or prices you should choose to tender your shares. We are not making a recommendation as to whether you should tender shares into the Offer because we believe that you should make your own decision based on your views as to the value of Extreme’s shares, our prospects and anticipated capitalization following the Offer, as well as your liquidity needs, investment objectives and other individual considerations. Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 30,303,030 shares in the Offer, which represents the maximum amount of shares that we would purchase based on the minimum price per share of \$3.30 in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 7.6%. See “*Risks to Non-tendering Stockholders*” and *Section 11*. Our Chairman of the Board, Gordon Stitt, has an option to purchase 380,000 shares at a price of \$2.875 per share, which option which expires in October 2008. Mr. Stitt has advised that, while he will not tender shares in the Offer, he may, in compliance with our stock ownership guidelines and applicable law, exercise and sell the shares of common stock subject to this option in open market transactions during the**

pendency of the Offer at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. In addition, our other directors and executive officers may also, in compliance with stock ownership guidelines and applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. See “*Risks to Non-tendering Stockholders*” and *Section 11*. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. You should discuss whether to tender your shares with your broker or other financial or tax advisor.

As of August 7, 2008, there were approximately 116,446,543 shares issued and outstanding. At the minimum price of \$3.30 per share in the Offer, we will purchase a maximum of 30,303,030 shares, or approximately 26% of our outstanding common stock as of August 7, 2008. At the maximum price of \$3.70 per share in the Offer, we will purchase a maximum of 27,027,027 shares, or approximately 23% of our outstanding common stock as of August 7, 2008. Based on the foregoing, if the Offer is fully subscribed, we will have between 86,143,513 and 89,419,516 shares outstanding following the purchase of shares tendered in the Offer. The actual number of shares outstanding will depend on the number of shares tendered and purchased in the Offer. See *Section 2*.

Our common stock is listed and traded on NASDAQ under the symbol “EXTR.” On August 8, 2008, the last full trading day before we commenced the Offer, the closing per share price of our common stock on NASDAQ was \$3.18. You are urged to obtain current market quotations for our common stock before deciding whether and, if so, at what purchase price or purchase prices, to tender your shares. See *Section 8*.

This Offer to Purchase and the related Letter of Transmittal contain important information that you should read carefully before you make any decision regarding the Offer.

## THE TENDER OFFER

### 1. Number of Shares; Proration; Odd Lots

On the terms and subject to the conditions of the Offer, we will accept for payment and thereby purchase shares of our common stock, including the associated preferred stock purchase rights, worth \$100 million in the aggregate or such lesser dollar amount of shares as are properly tendered before the expiration date and not properly withdrawn in accordance with *Section 4*, at a cash price not less than \$3.30 nor greater than \$3.70 per share, without interest.

For purposes of the Offer, the term “*expiration date*” means 5:00 p.m., New York time, on September 12, 2008, unless and until we, in our sole discretion, extend the period of time during which the Offer will remain open. If extended by us, the term “*expiration date*” will refer to the latest time and date at which the Offer, as extended, will expire. See *Section 15* for a description of our right to extend, delay, terminate or amend the Offer.

We reserve the right, in our sole discretion, to purchase more than \$100 million worth of shares in the Offer by amending the terms of the Offer to reflect this change in the manner set forth in *Section 15*.

In accordance with Instruction 5 of the Letter of Transmittal, stockholders desiring to tender shares must specify the price or prices, not less than \$3.30 per share nor greater than \$3.70 per share, at which they are willing to sell their shares. Prices may be specified in increments of \$0.05 per share. Alternatively, stockholders desiring to tender shares can choose not to specify a price and, instead, specify that they will sell their shares at the purchase price selected by us for shares properly tendered in the Offer. Shares tendered without a specified price will be treated the same as shares tendered at the minimum price of \$3.30 and could result in the tendering stockholder receiving a price per share as low as \$3.30.

Promptly following the expiration date, we will select the purchase price for shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering stockholders. We will select the lowest purchase price between \$3.30 and \$3.70, net per share in cash, without interest, that will enable us to purchase \$100 million worth of shares in the aggregate, or if shares with an aggregate value of less than \$100 million are tendered at or below the maximum price of \$3.70 per share, all shares that are properly tendered and not properly withdrawn.

Shares properly tendered at or below that purchase price and not properly withdrawn will be purchased at the selected purchase price upon the terms and conditions of the Offer, including the proration and conditional tender provisions described below. If the value of the shares properly tendered at or below the selected price is in excess of \$100 million, as measured at such selected price, we will purchase shares at the selected price on a pro rata basis (subject to the “odd lot” priority described in *Section 1* and the considerations for conditional tenders described in *Section 6*) from all stockholders who properly tendered shares at or below the selected price, with appropriate adjustments to avoid purchases of fractional shares. See *Section 5* for a more detailed description of our purchase of and payment for properly tendered shares.

All shares we purchase will be purchased at the same price, even if you have specified a lower price. However, we will not purchase any shares tendered at a price above the purchase price we select using the procedures described above.

All shares properly tendered and not purchased, including shares tendered at prices above the purchase price we select and shares not purchased because of the odd lot priority, proration or the conditional tender procedures, will be returned to you at our expense promptly following the expiration date. In addition, you can tender different portions of your shares at different prices by completing separate letters of transmittal for each price at which you wish to tender shares.

If we:

- Increase or decrease the price to be paid for shares; or
- Increase the amount of shares being sought; or

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- Decrease the amount of shares being sought; or
- Materially change the soliciting fees to be paid to our dealer manager,

then the Offer must remain open, or will be extended until at least ten business days from, and including, the date that notice of such change is first published, sent or given in the manner specified in *Section 15*. For purposes of the Offer, a “**business day**” means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York time.

We also expressly reserve the right, in our sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in *Section 7*, “*Conditions of the Offer*,” shall have occurred or shall be deemed by us to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the depositary and making a public announcement of such extension. *See Section 15*.

In calculating the number of shares to be accepted for payment and the purchase price pursuant to the procedures described in this Offer to Purchase, we will add to the total number of shares tendered at the minimum price of \$3.30 the number of shares tendered by stockholders who have indicated, in the appropriate box in the Letter of Transmittal, that they are willing to accept the price determined in the Offer. Accordingly, shares tendered at the price determined in the Offer will be treated the same as shares tendered at \$3.30 per share. However, as discussed above, shares properly tendered and accepted for purchase will all be purchased at the same price, even if the purchase price we select is higher than the price at which the shares were tendered.

**The Offer is not conditioned on any minimum number of shares being tendered. The Offer, however, is subject to other important conditions.**

**Priority of Purchase.** Upon the terms and subject to the conditions of the Offer, if shares with an aggregate value of less than \$100 million are properly tendered at or below the maximum price of \$3.70 per share, we will purchase all shares that are properly tendered and not properly withdrawn.

If the terms and conditions of the Offer have been satisfied or waived and shareholders have properly tendered and not properly withdrawn shares worth in excess of \$100 million in the aggregate, measured at the maximum price at which such shares were properly tendered, on or prior to the expiration date of the Offer, subject to the conditional tender procedures described in *Section 6*, we will purchase shares in the following order of priority:

- First, all such shares owned beneficially or of record by a holder of fewer than 100 shares of common stock who properly tenders all of such shares (partial tenders will not qualify for this preference) and completes, or whose broker, bank or other nominee completes, the section captioned “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery;
- Second, after purchase of all of the foregoing shares, all other shares (other than conditionally tendered shares for which the condition was not satisfied) tendered at or below the purchase price on a pro rata basis, if necessary (with appropriate rounding adjustments to avoid purchases of fractional shares); and
- Third, if necessary to permit us to purchase \$100 million worth of shares, shares conditionally tendered at or below the purchase price for which the condition was not initially satisfied, to the extent feasible, by random lot (to be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares).

In accordance with Instruction 5 of the Letter of Transmittal, stockholders desiring to tender shares must specify the price or prices, not less than \$3.30, nor greater than \$3.70 per share, at which they are willing to sell their shares to us in the Offer. Alternatively, stockholders desiring to tender shares can choose not to specify a price and, instead, elect to tender their shares at the purchase price ultimately paid for shares properly tendered and not properly withdrawn in the Offer, which could result in the tendering stockholder receiving a price per



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share as low as \$3.30. As promptly as practicable following the expiration time of the Offer, we will, in our sole discretion, determine the purchase price that we will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering stockholders. We will select the lowest purchase price specified by tendering stockholders that will enable us to purchase \$100 million worth of shares or, if shares with an aggregate value of less than \$100 million are tendered at or below the maximum price of \$3.70 per share, the highest price at which shares were properly tendered and not properly withdrawn. By following the instructions in the Letter of Transmittal, stockholders can specify one minimum price for a specified portion of their shares and a different minimum price for other specified shares, but a separate Letter of Transmittal must be submitted for shares tendered at each price.

**Proration.** In the event of an over-subscription from the stockholders in the Offer, shares tendered will be subject to proration, except for “odd lots,” which are described below. We will determine the final proration factor as promptly as practicable after the expiration date. Subject to the conditional tender procedures described in *Section 6*, proration for each stockholder tendering shares will be based on the ratio of the number of shares properly tendered and not properly withdrawn by the stockholder at or below the purchase price selected by us to the total number of shares tendered by all stockholders at or below the purchase price selected by us. This ratio will be applied to stockholders tendering shares to determine the number of shares that will be purchased from each tendering stockholder in the Offer.

Because of the potential difficulty in determining the number of shares properly tendered and not properly withdrawn, including shares tendered by guaranteed delivery procedures as described in *Section 3*, and because of the conditional tender procedures described in *Section 6*, we may not be able to announce the final proration percentage or commence payment for any shares purchased under the Offer immediately following the expiration of the Offer. In such cases, it could be seven to ten business days after the expiration date before we are able to commence payment for the tendered shares. The preliminary results of any proration will be announced by press release promptly after the expiration date. Stockholders may obtain preliminary proration information from the information agent and may be able to obtain this information from their brokers.

As described in *Section 14*, the number of shares that we will purchase from a stockholder may affect the United States federal income tax consequences to the stockholder and, therefore, may be relevant to a stockholder’s decision whether to tender shares. The Letter of Transmittal affords each tendering stockholder the opportunity to designate (by certificate) the order of priority in which such stockholder wishes the shares it tenders to be purchased in the event of proration. In addition, stockholders may choose to submit a “*conditional tender*” under the procedures discussed in *Section 6* in order to structure their tender for federal income tax reasons.

We will mail this Offer to Purchase and the related Letter of Transmittal to record holders of shares as of August 7, 2008 and will furnish them to brokers, banks and similar persons whose names, or the names of whose nominees, appear on our stockholder list or, if applicable, who are listed as participants in a clearing agency’s security position listing for subsequent transmittal to beneficial owners of shares.

**Odd Lots.** The term “odd lots” means all shares tendered at prices at or below the purchase price by a stockholder who owns beneficially or of record a total of fewer than 100 shares (such stockholder, an “*odd lot holder*”) and so certified in the appropriate place on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. To qualify for the priority preference for odd lots, an odd lot holder must tender all shares owned in accordance with the procedures described in *Section 3*, “*Procedures for Tendering Shares*.” Odd lots will be accepted for payment before any proration of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have separate accounts or certificates representing fewer than 100 shares. By properly tendering shares in the Offer, an odd lot holder who holds shares in its name and tenders its shares directly to the depository would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the holder’s shares. Any odd lot holder wishing to tender all shares held pursuant to the Offer should complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the notice of guaranteed delivery.

## 2. Purpose of the Offer; Certain Effects of the Offer; Other Plans or Proposals.

### Purpose of the Offer

Our board of directors has decided to conduct a “modified Dutch auction” tender offer at a price range of \$3.30 to \$3.70 for the shares after reviewing a variety of alternatives for using our available financial resources with the assistance of management. Our board of directors considered our existing and anticipated capitalization and financial position, including our outstanding common stock, financial ratios, the market price of our common stock and our operations, strategy and expectations for the future. Our board of directors believes that the Offer is a prudent use of our financial resources and an effective means of providing value to our stockholders.

We believe that the Offer represents a prudent use of our financial resources in light of our business profile, assets, current indebtedness, debt capacity and the current market price for our common stock. The primary purpose of the Offer is to provide our stockholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. In addition, if we complete the Offer, stockholders who do not participate in the Offer will automatically increase their relative percentage ownership interest in us and our future operations. Furthermore, the Offer, and particularly the preference given to holders of fewer than 100 shares, may reduce the number of holders of our shares and thereby reduce the administrative costs of mailing securities filings and notices to such holders.

After the Offer is completed, we believe that our anticipated cash flow from operations, our access to credit facilities and capital markets and our financial condition will be adequate for our needs. However, actual experience may differ significantly from our expectations. See “*Forward Looking Statements.*” In considering the Offer, our management and our board of directors took into account the expected financial impact of the Offer and other transactions.

**Our board of directors has approved the Offer. However, neither we, nor any of our board of directors, executive officers, the information agent, depositary or the dealer manager is making any recommendation to you as to whether you should tender or refrain from tendering your shares or as to what price or prices you should choose to tender your shares. We are not making a recommendation as to whether you should tender shares into the Offer because we believe that you should make your own decision based on your views as to the value of Extreme’s shares, our prospects and anticipated capitalization following the Offer, as well as your liquidity needs, investment objectives and other individual considerations. Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 30,303,030 shares in the Offer, which represents the maximum amount of shares that we would purchase based on the minimum price per share of \$3.30, the beneficial ownership of our directors and executive officers will increase to approximately 7.6%. Our Chairman of the Board, Gordon Stitt, has an option to purchase 380,000 shares at a price of \$2.875 per share, which option expires in October 2008. Mr. Stitt has advised that, while he will not tender shares in the Offer, he may, in compliance with our stock ownership guidelines and applicable law, exercise and sell the shares of common stock subject to this option in open market transactions during the pendency of the Offer at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. In addition, our other directors and executive officers may also, in compliance with stock ownership guidelines and applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. See “*Risks to Non-tendering Stockholders*” and *Section 11*. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. You should discuss whether to tender your shares with your broker or other financial or tax advisor.**

### *Certain Effects of the Offer*

The Offer presents potential risks and disadvantages to us and our continuing stockholders. This will reduce our “*public float*,” which is the number of shares owned by outside stockholders and available for trading in the securities markets. This may result in lower stock prices or reduced liquidity in the trading market for our shares

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in the future as well as increased volatility of our share price. See *Section 11*. Future open market purchases, if authorized, would further reduce our public float.

Stockholders who do not tender their shares pursuant to the Offer and stockholders who otherwise retain an equity interest in Extreme as a result of a partial tender of shares or a proration will continue to be owners of Extreme. As a result, those stockholders will likely realize a proportionate increase in their relative equity interest in Extreme and, thus, in our future earnings and assets, if any, and will bear the attendant risks associated with owning our equity securities, including risks resulting from our purchase of shares. These risks include our reduced public float. See “*Risks to Non-tendering Stockholders*.”

We can give no assurance that we will not issue additional shares or equity interests in the future. Stockholders may be able to sell non-tendered shares in the future on NASDAQ or otherwise, at a net price which may be significantly higher than the purchase price in the Offer. We can give no assurance, however, as to the price at which a stockholder may be able to sell his or her shares in the future, which may be higher or lower than the purchase price paid by us in the Offer.

Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 30,303,030 shares in the Offer, which represents the maximum amount of shares that we would purchase based on the minimum price per share of \$3.30 in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 7.6%. Our Chairman of the Board, Gordon Stitt, has an option to purchase 380,000 shares at a price of \$2.875 per share, which option expires in October 2008. Mr. Stitt has advised that, while he will not tender shares in the Offer, he may, in compliance with our stock ownership guidelines and applicable law, exercise and sell the shares of common stock subject to this option in open market transactions during the pendency of the Offer at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. In addition, our other directors and executive officers may also, in compliance with stock ownership guidelines and applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. See “*Risks to Non-tendering Stockholders*” and *Section 11*.

We may in the future to purchase additional shares in the open market subject to market conditions. We may also purchase shares in private transactions, tender offers or otherwise. Any of these purchases may be on the same terms as, or on terms more or less favorable to stockholders than, the terms of the Offer. However, Rule 13e-4 under the Exchange Act, generally prohibits us and our affiliates from purchasing any shares, other than through the Offer, until at least 10 business days after the expiration or termination of the Offer, except pursuant to certain limited exceptions provided in Rule 14e-5 of the Exchange Act. Any possible future purchases by us will depend on many factors, including the market price of the shares, the results of the Offer, our business and financial position and general economic and market conditions.

Shares acquired pursuant to the Offer will be canceled and returned to the status of authorized but unissued stock, and will be available for us to issue without further stockholder action except as required by applicable law or the rules of NASDAQ or any securities exchange on which the shares are then listed, for purposes including, without limitation, the acquisition of other businesses, the raising of additional capital for use in our business and the satisfaction of obligations under existing or future employee benefit or compensation programs or stock plans or compensation programs for directors. We have no current plans for issuance of the shares purchased in the Offer.

### *Other Plans or Proposals.*

Except as described in this Offer to Purchase, we currently have no plans or proposals that relate to or would result in:

- An extraordinary transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries;

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- A purchase, sale or transfer of an amount of our assets or any of our subsidiaries' assets that would be material to us and our subsidiaries, taken as a whole;
- Any change in our present board of directors or executive officers;
- Any other material change in our corporate structure or business;
- A class of our equity securities being delisted from a national securities exchange or ceasing to be authorized to be quoted in an automated quotation system of a registered national securities association;
- A class of our equity securities becoming eligible for termination of registration under the Exchange Act;
- The suspension of our obligation to file reports under the Exchange Act;
- The acquisition by any person of additional securities of ours or the disposition of our securities; or
- Any changes in our charter, bylaws or other governing instruments or other acquisitions that could impede acquisition or control of us.

Although we do not currently have any plans, other than as described in this Offer to Purchase, that relate to or would result in any of the events discussed above, we continue to evaluate opportunities for increasing stockholder value and we may undertake or plan actions that relate to or could result in one or more of these events.

### **3. Procedures for Tendering Shares.**

**Proper Tender of Shares.** For shares to be properly tendered, EITHER (1) OR (2) below must happen:

(1) The depositary must receive all of the following before 5:00 p.m., New York Time, on the expiration date at the depositary's address on the back page of this Offer to Purchase:

- Either (a) the certificates for the shares, or (b) in the case of tendered shares delivered in accordance with the procedures for book-entry transfer we describe below, a confirmation of receipt of the shares; and
- Either (a) a properly completed and executed Letter of Transmittal or a manually executed facsimile of it, including any required signature guarantees, or (b) in the case of a book-entry transfer, an "agent's message" of the type we describe below; and
- Any other documents required by the Letter of Transmittal.

(2) You must comply with the guaranteed delivery procedure set forth below.

**In accordance with Instruction 5 of the Letter of Transmittal, if you want to tender your shares you must properly complete the pricing section of the Letter of Transmittal, which is called "Price at Which You Are Tendering." A tender of shares will be proper if, and only if, this pricing section is properly completed.**

- If you wish to maximize the chance that your shares will be purchased at the purchase price determined by us, you should check the box in the section of the Letter of Transmittal below the caption "Shares Tendered at a Price Determined Pursuant to the Offer." This means that you will accept the purchase price selected by us in accordance with the terms of the Offer, and your tendered shares will be treated the same as shares tendered at the minimum price of \$3.30 per share. Note that this election could result in your shares being purchased at the minimum price of \$3.30 per share.
- If you wish to indicate a specific price (in multiples of \$0.05 per share) at which your shares are being tendered, you must check ONE box in the section of the Letter of Transmittal below the caption

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“Shares Tendered at a Price Determined by You.” You should be aware that this election could mean that none of your shares will be purchased if you choose a price that is higher than the purchase price we eventually select after the expiration date.

If you want to tender portions of your shares at different prices you must complete a separate Letter of Transmittal for each portion of your shares that you want to tender at a different price. However, the same shares cannot be tendered (unless properly withdrawn previously in accordance with *Section 4*) at more than one price. To tender shares properly, one and only one price box must be checked in the “Price at Which You Are Tendering” section on each Letter of Transmittal.

Odd lot holders who tender all their shares must also complete the section captioned “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, to qualify for the preferential treatment available to odd lot holders as set forth in *Section 1*.

If you tender your shares directly to the depository, you will not have to pay any brokerage commissions. If you hold shares through a broker or bank, however, you should ask your broker or bank if you will be charged a fee to tender your shares through the broker or bank.

**Endorsements and Signature Guarantees.** Depending on how your shares are registered and to whom you want deliveries made, you may need to have your certificates endorsed and the signatures on the Letter of Transmittal and endorsement guaranteed by an “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act. No endorsement or signature guarantee is required if:

- The Letter of Transmittal is signed by the registered holder of the shares tendered (which, for purposes of this *Section 3*, includes any participant in The Depository Trust Company, referred to as the “book-entry transfer facility,” whose name appears on a security position listing as the owner of the shares) exactly as the name of the registered holder appears on the certificate(s) for the shares and payment and delivery are to be made directly to the holder, unless the holder has completed the box captioned “Special Delivery Instructions” on the Letter of Transmittal; or
- Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity that is also an “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act, each such entity, referred to as an “eligible guarantor institution.”

*See Instruction 1 of the Letter of Transmittal.*

If a certificate for shares is registered in the name of a person other than the person executing a Letter of Transmittal or you are completing the box captioned “Special Delivery Instructions” in the Letter of Transmittal, then:

- Your certificates must be endorsed or accompanied by an appropriate stock power, in either case signed exactly as the name of the registered holder appears on the certificates; and
- The signature on (1) the Letter of Transmittal, and (2) on your endorsed certificates or stock power must be guaranteed by an eligible guarantor institution.

**Method of Delivery.** Payment for shares tendered and accepted for payment under the Offer will be made only after timely receipt by the depository of all of the following:

- Certificates for those shares or a timely confirmation of the book-entry transfer of those shares into the depository’s account at the book-entry transfer facility as described below;

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- One of (a) a properly completed and duly executed Letter of Transmittal or a manually signed facsimile of it, including any required signature guarantees, or (b) an agent's message as described below in the case of a book-entry transfer; and
- Any other documents required by the Letter of Transmittal.

**The method of delivery of all documents, including share certificates, the Letter of Transmittal and any other required documents, is at your election and risk. If you decide to make delivery by mail, we recommend you use registered mail with return receipt requested, properly insured. In all cases, sufficient time should be allowed to insure timely delivery.**

**All deliveries made in connection with the Offer, including a Letter of Transmittal and certificates for shares, must be made to the depositary and not to us, the dealer manager, the information agent or the book-entry transfer facility. Any documents delivered to us, the dealer manager, the information agent or the book-entry transfer facility will not be forwarded to the depositary and therefore will not be deemed to be properly tendered.**

**Book-Entry Delivery.** The depositary will establish an account with respect to the shares at the book-entry transfer facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of the shares by causing that facility to transfer those shares into the depositary's account in accordance with that facility's procedure for the transfer. Even if delivery of shares is made through book-entry transfer into the depositary's account at the book-entry transfer facility, EITHER (1) OR (2) below must occur:

(1) The depositary must receive all of the following before 5:00 p.m., New York Time, on the expiration date at the depositary's address on the back page of this Offer to Purchase:

- One of (a) a properly completed and executed Letter of Transmittal or a manually executed facsimile of it, including any required signature guarantees, or (b) an agent's message as described below in the case of a book-entry transfer; and
- Any other documents required by the Letter of Transmittal; or

(2) The guaranteed delivery procedure described below must be followed.

Delivery of the Letter of Transmittal or any other required documents to the book-entry transfer facility does not constitute delivery to the depositary.

The term "**agent's message**" means a message transmitted by the book-entry transfer facility to, and received by, the depositary, which states that the book-entry transfer facility has received an express acknowledgement from the participant in the book-entry transfer facility tendering the shares that the participant in the book-entry transfer facility tendering the shares has received and agrees to be bound by the terms of the Letter of Transmittal and that we may enforce that agreement against them.

**Guaranteed Delivery.** If you want to tender your shares but your share certificates are not immediately available or cannot be delivered to the depositary before the expiration date, the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all required documents to reach the depositary before the expiration date, you can still tender your shares, if all of the following conditions are satisfied:

- The tender is made by or through an eligible guarantor institution;
- The depositary receives by hand, mail, overnight courier or facsimile transmission, prior to the expiration time, a properly completed and duly executed notice of guaranteed delivery in the form we have provided with this Offer to Purchase, specifying the price at which shares are being tendered, including (where required) signature guarantees by an eligible guarantor institution in the form set forth in the notice of guaranteed delivery; and

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- All of the following are received by the depository within three NASDAQ trading days after the date of receipt by the depository of the notice of guaranteed delivery, either:
  - the certificates representing the shares being tendered together with (a) a Letter of Transmittal, or a facsimile thereof, relating thereto that has been properly completed and duly executed and includes all signature guarantees required thereon and (b) all other required documents; or
  - in the case of any book-entry transfer of the shares being tendered that is effected in accordance with the book-entry transfer procedures we describe above under “Book-Entry Delivery”: (a) a Letter of Transmittal or a facsimile thereof, relating thereto that has been properly completed and duly executed and includes all signature guarantees required thereon, or an agent’s message, (b) a book-entry confirmation relating to that transfer, and (c) all other required documents.

**Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects.** We will determine, in our sole discretion, all questions as to the number of shares to be accepted, the price to be paid and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of shares. Our determination will be final and binding on all parties. We reserve the absolute right to reject any or all tenders we determine not to be in proper form or the acceptance of or payment for which we determine may be unlawful. We also reserve the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular shares or any particular stockholder. No tender of shares will be deemed to be properly made until all defects or irregularities have been cured by the tendering stockholder or waived by us. None of us, the depository, the information agent, the dealer manager or any other person will be under any duty to give notice of any defects or irregularities in any tender, or incur any liability for failure to give any such notice. Our interpretation of the terms of and conditions to the Offer, including the Letter of Transmittal and the instructions thereto, will be final and binding. By tendering shares to us, you agree to accept all decisions we make concerning these matters and waive any right you might otherwise have to challenge those decisions.

**Your Representation and Warranty; Our Acceptance Constitutes an Agreement.** It is a violation of Rule 14e-4 promulgated by the Securities and Exchange Commission under the Exchange Act for a person, acting alone or in concert with others, directly or indirectly, to tender shares for that person’s own account unless, at the expiration date, the person so tendering:

- within the meaning of Rule 14e-4, has a “net long position” equal to or greater than the amount tendered in our shares or in securities immediately convertible into, or exchangeable or exercisable for, our shares and will deliver or cause to be delivered the shares within the period specified in the Offer; or
- in the case of securities immediately convertible into, or exchangeable or exercisable for our shares, acquires shares by conversion, exchange or exercise of such securities, and, to the extent required by the terms of the Offer, delivers or causes to be delivered the shares within the period specified by the Offer.

A tender of shares under any of the procedures described above will constitute your acceptance of the terms and conditions of the Offer, as well as your representation and warranty to us that:

- you have a “net long position” in the shares or equivalent securities at least equal to the shares tendered; and
- the tender of shares complies with Rule 14e-4.

Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

Our acceptance for payment of shares tendered under the Offer will constitute a binding agreement between you and us upon the terms and conditions of the Offer described in this and related documents.

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**Return of Unpurchased Shares.** If any tendered shares are not purchased or are properly withdrawn, or if less than all shares evidenced by a stockholder's certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the Offer or the proper withdrawal of the shares, as applicable. In the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering stockholder at the book-entry transfer facility. In each case, shares will be returned or credited without expense to the stockholder.

**Procedure for Stock Options.** We are not offering, as part of the Offer, to purchase any stock options outstanding and tenders of stock options will not be accepted. Holders of stock options who wish to participate in the Offer may exercise their stock options and purchase shares, and then tender the shares under the Offer, provided that any exercise of a stock option and tender of shares is in accordance with applicable law and the terms of the applicable plan and option agreements. In no event are any stock options to be delivered to the depository in connection with a tender of shares hereunder. An exercise of a stock option cannot be revoked even if all or a portion of the shares received upon the exercise or conversion and tendered in the Offer are not purchased in the Offer for any reason.

**Federal Income Tax Withholding.** To prevent backup federal income tax withholding equal to 28% of the gross payments payable pursuant to the Offer, each non-corporate stockholder who is not a foreign stockholder (as defined below) and who does not otherwise establish an exemption from backup withholding must notify the depository of the stockholder's correct taxpayer identification number (employer identification number or social security number), and provide certain other information by completing, under penalties of perjury, the Substitute Form W-9 included in the Letter of Transmittal. Failure to timely provide the correct taxpayer identification number on Substitute Form W-9 may subject the stockholder to a \$50 penalty imposed by the Internal Revenue Service ("**IRS**"). Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to backup withholding requirements. In order for a foreign stockholder to qualify as a recipient exempt from backup withholding, that stockholder must submit a statement (generally, an IRS Form W-8-BEN or other applicable Form W-8), signed under penalties of perjury, attesting to that stockholder's exempt status. Backup withholding will not apply to amounts subject to the 30% or treaty-reduced rate of withholding as described below.

If a partnership (including for this purpose an entity or arrangement, domestic or foreign, treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A beneficial owner that is a partnership, and partners in such partnership, should consult their own tax advisors.

**ANY TENDERING STOCKHOLDER WHO IS NOT A FOREIGN STOCKHOLDER OR OTHER PAYEE THAT FAILS TO COMPLETE FULLY AND SIGN THE SUBSTITUTE FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL OR APPLICABLE FORM W-8 MAY BE SUBJECT TO REQUIRED U.S. BACKUP WITHHOLDING AT A RATE EQUAL TO 28% OF THE GROSS PROCEEDS PAID TO SUCH STOCKHOLDER OR OTHER PAYEE PURSUANT TO THE OFFER.**

Gross proceeds payable pursuant to the Offer to a foreign stockholder or a foreign stockholder's agent will be subject to U.S. withholding tax of 30%, unless the depository determines that a reduced or zero rate of withholding is applicable pursuant to an applicable income tax treaty or that an exemption from withholding is applicable because the gross proceeds are effectively connected with the conduct of a trade or business within the United States. For this purpose, a foreign stockholder generally is a stockholder that is not a U.S. Holder (as defined in *Section 14*).

A foreign stockholder may be eligible to obtain a refund of all or a portion of any tax withheld if such stockholder meets the "complete termination," "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in *Section 14* or if the stockholder is entitled to a reduced or zero rate of withholding pursuant to any applicable income tax treaty and the a higher rate was withheld. In order to obtain a reduced or



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zero rate of withholding pursuant to an applicable income tax treaty, a foreign stockholder must deliver to the depository before any payment is made to the stockholder, a properly completed and executed IRS Form W-8BEN (or other applicable W-8) claiming such an exemption or reduction. In order to claim an exemption from withholding on the grounds that gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business within the United States, a foreign stockholder must deliver to the depository before the payment is made a properly completed and executed IRS Form W-8ECI claiming such exemption or reduction. Backup withholding generally will not apply to amounts subject to the 30% or a treaty-reduced rate of withholding. **Foreign stockholders are urged to consult their own tax advisors regarding the application of U.S. federal withholding tax, including eligibility for a withholding tax reduction or exemption and the refund procedure.**

For a discussion of certain United States federal income tax consequences generally applicable to tendering stockholders. *See Section 14.*

**Lost or Destroyed Certificates.** If your certificate for part or all of your shares has been lost, stolen, misplaced or destroyed, you should contact the depository at 1-800-522-6645 (toll-free), for instructions as to obtaining an affidavit of loss. The affidavit of loss will then be required to be submitted together with the Letter of Transmittal in order to receive payment for shares that are tendered and accepted for payment. A bond may be required to be posted by you to secure against the risk that the certificates may be subsequently recirculated. You are urged to contact the depository immediately in order to receive further instructions, to permit timely processing of this documentation and for a determination as to whether you will need to post a bond.

#### **4. Withdrawal Rights.**

Shares tendered in the Offer may be withdrawn at any time before the expiration date and, unless we have already accepted your shares for payment after the Offer expires, may also be withdrawn any time after 12:01 a.m., New York time, on October 7, 2008. Except as otherwise provided in this *Section 4*, tenders of shares pursuant to the Offer are irrevocable.

For a withdrawal to be effective, the depository must receive (at its address set forth on the back cover of this Offer to Purchase) a notice of withdrawal in written or facsimile transmission form on a timely basis. The notice of withdrawal must specify the name of the person who tendered the shares to be withdrawn, the number of shares tendered, the number of shares to be withdrawn and the name of the registered holder. If the certificates have been delivered or otherwise identified to the depository, then, prior to the release of those certificates, the tendering stockholder must also submit the serial numbers shown on the particular certificates evidencing the shares and the signature on the notice of withdrawal must be guaranteed by an eligible guarantor institution (except in the case of shares tendered by an eligible guarantor institution).

If shares have been tendered pursuant to the procedure for book-entry transfer set forth in *Section 3*, the notice of withdrawal must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and otherwise comply with the procedures of the facility.

We will determine, in our sole discretion, all questions as to the form and validity, including time of receipt, of notices of withdrawal. Our determination shall be final and binding on all parties. None of us, the depository, the information agent, the dealer manager or any other person will be under any duty to give any notice of any defects or irregularities in any notice of withdrawal, or incur any liability for failure to give any such notice.

Withdrawals may not be rescinded, and any shares properly withdrawn will thereafter be deemed not tendered for purposes of the Offer unless the withdrawn shares are properly re-tendered before the expiration date by following any of the procedures described in *Section 3*.

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If we extend the Offer, or if we are delayed in our purchase of shares or are unable to purchase shares under the Offer for any reason, then, without prejudice to our rights under the Offer, the depositary may, subject to applicable law, retain on our behalf all tendered shares, and those shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described in this *Section 4*.

### **5. Purchase of Shares and Payment of Purchase Price.**

Upon the terms and subject to the conditions of the Offer, we will:

- Determine the purchase price that we will pay for shares properly tendered and not properly withdrawn under the Offer, taking into account the number of shares so tendered and the prices specified by tendering stockholders; and
- Accept for payment and pay for, and thereby purchase, shares properly tendered at or below the purchase price and not properly withdrawn.

For purposes of the Offer, we will be deemed to have accepted for payment, and therefore purchased, shares that are properly tendered at or below the purchase price and not properly withdrawn, subject to the odd lot priority, proration and conditional tender provisions of the Offer, only when, as and if we give oral or written notice to the depositary of our acceptance of shares for payment under the Offer.

Upon the terms and subject to the conditions of the Offer, promptly after the expiration date, we will purchase and pay a single per share purchase price for shares accepted for payment under the Offer. In all cases, payment for shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the depositary of:

- Certificates for shares or a timely confirmation of a book-entry transfer of those shares into the depositary's account at the book-entry transfer facility;
- A properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or an agent's message in the case of a book-entry transfer; and
- Any other documents required by the Letter of Transmittal.

We will pay for the shares purchased under the Offer by depositing the aggregate purchase price for the shares with the depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from us and transmitting payment to the tendering stockholders.

In the event of proration, we will determine the proration factor and pay for those tendered shares accepted for payment promptly after the expiration date. However, we do not expect to be able to announce the final results of any such proration immediately following expiration of the Offer. In such cases it could be seven to ten business days after the expiration date before we are able to commence payment for the tendered shares.

**Under no circumstances will we pay interest on the purchase price, regardless of any delay in making payment.** In addition, if specified events occur, we may not be obligated to purchase shares in the Offer. *See Section 7.*

We will pay all stock transfer taxes, if any, payable on the transfer to us of shares purchased in the Offer. If, however:

- Payment of the purchase price is to be made to, or, in the circumstances permitted by the Offer, if unpurchased shares are to be registered in the name of, any person other than the registered holder; or
- If tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, then the amount of all stock transfer taxes, if any (whether imposed on the registered

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holder or such other person), payable on account of the transfer to that person will be deducted from the purchase price unless evidence satisfactory to us of the payment of taxes or exemption from payment of taxes is submitted. See *Instruction 7 of the Letter of Transmittal*.

**Any tendering stockholder who is not a foreign stockholder or other payee that fails to complete fully and sign the substitute form W-9 included in the Letter of Transmittal or applicable form W-8 may be subject to required U.S. backup withholding at a rate equal to 28% of the gross proceeds paid to such stockholder or other payee pursuant to the Offer. See Section 3. Also see Section 3 regarding federal income tax consequences for foreign stockholders.**

### **6. Conditional Tender of Shares.**

Under certain circumstances, we may prorate the number of shares purchased in the Offer. As discussed in *Section 14*, the number of shares to be purchased from a particular stockholder may affect the tax treatment of the purchase to the stockholder and the stockholder's decision whether to tender. The conditional tender alternative is made available so that a stockholder may seek to structure our purchase of shares in the Offer from the stockholder in a manner that the transaction would be treated as a sale of the shares by the stockholder, rather than the payment of a dividend to the stockholder, for federal income tax purposes. Accordingly, a stockholder may tender shares subject to the condition that a specified minimum number of the stockholder's shares tendered pursuant to a Letter of Transmittal or notice of guaranteed delivery must be purchased if any shares tendered are purchased. **We urge each stockholder to consult with his or her own tax advisor.**

If you wish to make a conditional tender you must indicate this in the box captioned "Conditional Tender" in the Letter of Transmittal or, if applicable, the notice of guaranteed delivery. In the appropriate box in the Letter of Transmittal or the notice of guaranteed delivery, you must calculate and appropriately indicate the minimum number of shares that must be purchased if any are to be purchased. After the Offer expires, if more than \$100 million worth of shares are properly tendered at or below the purchase price and not properly withdrawn and we must prorate our acceptance of and payment for tendered shares, we will calculate a preliminary proration percentage based upon all shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration would be to reduce the number of shares to be purchased from any stockholder below the minimum number specified by that stockholder, the conditional tender will automatically be regarded as withdrawn, unless chosen by lot for reinstatement as discussed in the next paragraph.

After giving effect to these withdrawals, we will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If we are able to purchase all of the remaining tendered shares and the number that we would purchase would be below \$100 million worth of shares, then, to the extent feasible, we will select enough of the conditional tenders that would otherwise have been deemed withdrawn to permit us to purchase \$100 million worth of shares. In selecting these conditional tenders, we will select by random lot, treating all tenders by a particular taxpayer as a single lot, and will select only from stockholders who tendered all of their shares. Upon selection by lot, if any, we will limit our purchase in each case to the designated minimum number of shares to be purchased.

All shares tendered by a stockholder subject to a conditional tender pursuant to the Letter of Transmittal or notice of guaranteed delivery regarded as withdrawn as a result of proration and not eventually purchased will be returned promptly after the expiration date without any expense to the stockholder.

### **7. Conditions of the Offer.**

Notwithstanding any other provision of the Offer, we will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of, or the purchase of and the payment for shares tendered, subject to Rule 13e-4(f) promulgated under the

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Exchange Act, if at any time on or after August 11, 2008 and prior to the time of payment for any shares (whether or not any shares have theretofore been accepted for payment, purchased or paid for under the Offer) any of the following events occur or are determined by us to have occurred, that, in our reasonable judgment in any such case and regardless of the circumstances giving rise to the event, including any action or omission to act by us, makes it inadvisable to proceed with the Offer or with acceptance for payment or payment for the shares in the Offer:

1. There shall have been threatened, instituted or pending before any court, agency, authority or other tribunal any action, suit or proceeding by any government or governmental, regulatory or administrative agency or authority or by any other person, domestic or foreign, or any judgment, order or injunction entered, enforced or deemed applicable by any court, authority, agency or tribunal, which:

(a) challenges or seeks to make illegal, or to delay or otherwise directly or indirectly to restrain, prohibit or otherwise affect the making of the Offer, the acquisition of shares under the Offer, or is otherwise related in any manner to, or otherwise affects, the Offer; or

(b) could, in our reasonable judgment, materially affect the business, general affairs, management, financial position, stockholders equity, income, results of operations, condition (financial or other), income, operations or prospects of us and our subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of our business and that of our subsidiaries, taken as a whole, or materially impair the Offer's contemplated benefits to us;

2. There shall have been any action threatened or taken, or any approval withheld, or any statute, rule or regulation invoked, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the Offer or us or any of our subsidiaries, by any government or governmental, regulatory or administrative authority or agency or tribunal, domestic or foreign, which, in our reasonable judgment, would or might directly or indirectly result in any of the consequences referred to in clause (a) or (b) of paragraph (1) above;

3. The declaration of any banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory);

4. Any general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market;

5. The commencement or escalation of a war, armed hostilities or any other national or international crisis directly or indirectly involving the United States;

6. Any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event that, in our reasonable judgment, might materially affect, the extension of credit by banks or other lending institutions in the United States;

7. Legislation amending the Internal Revenue Code of 1986, as amended (the "**Code**") has been passed by either the U.S. House of Representatives or the U.S. Senate or becomes pending before the U.S. House of Representatives or the U.S. Senate or any committee thereof, the effect of which, in our reasonable judgment, would be to change the tax consequences of the transaction contemplated by the Offer in any manner that would adversely affect us or any of our affiliates;

8. Any change or event occurs, is discovered, or is threatened relating to our business, general affairs, management, financial position, stockholders equity, income, results of operations, condition (financial or otherwise), income, operations, or prospects or that of our subsidiaries, taken as a whole, or in ownership of our shares, which in our reasonable judgment is or may be material to us or otherwise makes it inadvisable for us to proceed with the Offer;

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9. In the case of any of the foregoing existing at the time of the announcement of the Offer, a material acceleration or worsening thereof;

10. A 10% decrease in the market price of our shares or in the market prices of equity securities generally in the United States or any change in the general political, market, economic or financial conditions or in the commercial paper markets in the United States or abroad that could have, in our reasonable judgment, a material adverse effect on our business, condition (financial or otherwise), income, operations or prospects or that of our subsidiaries, taken as a whole, or on the trading in our shares;

11. Any decline in the NASDAQ Composite Index, New York Stock Exchange Composite Index, the Dow Jones Industrial Average or the S&P 500 Composite Index by an amount in excess of 10% measured from the close of business on August 7, 2008;

12. A tender or exchange offer with respect to some or all of our outstanding shares, other than the Offer, or a merger or acquisition proposal for us, is proposed, announced or made by another person or is publicly disclosed, or we learn that any person or “group,” within the meaning of Section 13(d)(3) of the Exchange Act, has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding shares, or any new group is formed that beneficially owns more than 5% of our outstanding shares (in each case, other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the Securities and Exchange Commission before August 11, 2008 or in any subsequent Schedule 13G filed with the Securities and Exchange Commission);

13. Any person or group files a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 reflecting an intent to acquire us or any of our shares; or

14. We determine that the completion of the Offer and the purchase of the shares may cause our common stock to be delisted from NASDAQ or to be subject to deregistration under the Exchange Act.

The conditions listed above are for our sole benefit and we may assert those conditions regardless of the circumstances (including our action or inaction) that give rise to the conditions and we may, in our sole discretion, waive any of the conditions listed above, in whole or in part, before the expiration date. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of these rights, and each of these rights shall be deemed an ongoing right that may be asserted by us at any time prior to the expiration of the Offer. Any determination or judgment by Extreme concerning the events described above will be final and binding on all parties.

### **8. Price Range of Shares; Dividends; Rights Agreement.**

Our shares are listed and principally traded on NASDAQ under the symbol “EXTR.” The high and low sales prices per share on NASDAQ as compiled from published financial sources for the periods indicated are listed below:

	<u>High</u>	<u>Low</u>
<b><i>Fiscal Year Ended July 1, 2007</i></b>		
First Quarter	\$ 4.22	\$ 3.39
Second Quarter	\$ 4.26	\$ 3.60
Third Quarter	\$ 4.65	\$ 3.94
Fourth Quarter	\$ 4.47	\$ 3.72
<b><i>Fiscal Year Ended June 29, 2008</i></b>		
First Quarter	\$ 4.50	\$ 3.31
Second Quarter	\$ 4.38	\$ 3.45
Third Quarter	\$ 3.54	\$ 2.87
Fourth Quarter	\$ 3.57	\$ 2.94
<b><i>Fiscal Year Ending June 28, 2009</i></b>		
First Quarter (through August 8, 2008)	\$ 3.18	\$ 2.70

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On August 8, 2008, the last full trading day before we commenced the Offer, the closing per share price of our common stock on NASDAQ was \$3.18. **We urge stockholders to obtain current quotations of the market price of the shares.**

*Dividends.* We have not paid cash dividends since our inception. We currently do not anticipate paying cash dividends in the foreseeable future.

*Rights Agreement.* In April 2001, the board of directors of Extreme approved a Stockholders' Rights Agreement ("**Rights Agreement**"), declaring a dividend of one preferred share purchase right for each outstanding share of common stock, par value \$0.001 per share, of Extreme common stock. The description and terms of the rights are set forth in that certain Rights Agreement between Extreme Networks, Inc. and Mellon Investor Services LLC. In the event the rights become exercisable, each right entitles stockholders to buy, at an exercise price of \$150 per right owned, a unit equal to a portion of a new share of Extreme Networks Series A preferred stock. The rights will be exercisable only if a person or a group acquires or announces a tender or exchange offer to acquire 15% or more of our common stock. The rights, which expire in April 2011, are redeemable for \$0.001 per right at the approval of the board of directors. The rights under this Rights Agreement will not be triggered by this Offer. This summary description of the rights does not purport to be complete and is qualified in its entirety by reference to Exhibit 4.2 to Form 8-K/A dated June 7, 2001 and Exhibit 4.2 to the Company's Current Report on Form 10-K, dated August 30, 2007, each as filed with the Securities and Exchange Commission on the date indicated and incorporated by reference herein.

### **9. Source and Amount of Funds.**

*Funding.* The aggregate purchase price will be approximately \$100 million, unless the Offer is undersubscribed. We expect to fund the purchase from existing cash on hand.

### **10. Information About Us.**

*General.* Extreme is a leading provider of network infrastructure equipment for corporate, government, education and health care enterprises and metropolitan telecommunications service providers. We were established in 1996 to address the issues caused by slow and expensive legacy networks. We endeavored to change the industry by replacing complex software-based routers with simple, fast, highly intelligent, hardware-based network switches. The subsequent and broad acceptance of this innovative, simplified approach to networking has enabled us to become an industry leader.

The principal executive offices of Extreme are located at 3585 Monroe Street, Santa Clara, CA 95051, and our telephone number is (408) 579-2800. Our website is located at [www.extremenetworks.com](http://www.extremenetworks.com); the information contained on our website is neither part of, nor incorporated by reference into, this Offer to Purchase.

*Where You Can Find More Information.* We are subject to the informational filing requirements of the Exchange Act and, in accordance with these requirements, are obligated to file reports and other information with the Securities and Exchange Commission relating to our business, financial condition and other matters. Information, as of particular dates, concerning our directors and officers, their compensation, options granted to them, the principal holders of our securities and any material interest of these persons in transactions with us is required to be disclosed in proxy statements distributed to our stockholders and filed with the Securities and Exchange Commission. In connection with this Offer, we have also filed a Tender Offer Statement on Schedule TO, which includes additional information with respect to the Offer.

*Incorporation by Reference.* The rules of the Securities and Exchange Commission allow us to "incorporate by reference" information into this Offer to Purchase, which means that we can disclose important information to you by referring you to another document filed separately with the Securities and Exchange Commission. This

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Offer to Purchase incorporates by reference the documents listed below, including the financial statements and the notes related thereto contained in those documents that have been previously filed with the Securities and Exchange Commission. These documents contain important information about us.

Annual Report on Form 10-K	Fiscal year ended July 1, 2007; Filed August 30, 2007
Quarterly Report on Form 10-Q	Quarter ended September 30, 2007, Filed November 9, 2007; Quarter ended December 30, 2007, Filed February 13, 2007; Quarter ended March 30, 2008, Filed May 12, 2008
Current Reports on Form 8-K	Filed on September 26, 2007; October 19, 2007; October 25, 2007; December 27, 2007; February 5, 2008; February 19, 2008; March 5, 2008 and May 21, 2008
Definitive Proxy Statement on Schedule 14A	Filed on October 25, 2007

You may read and copy any reports, proxy statements or other information that we file with the Securities and Exchange Commission at its Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. Please call the Securities and Exchange Commission at (800) SEC-0330 for further information on the public reference rooms. You may also obtain copies of this information by mail from the Public Reference Section of the Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Our public filings are also available to the public from document retrieval services and the Internet website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

You may also request a copy of these filings, at no cost, by writing or telephoning us at the following address:

**Extreme Networks, Inc.**

3585 Monroe Street  
Santa Clara, CA 95051  
United States

Telephone: (408) 579-2800

Toll Free: (888) 257-3000

Fax: (408) 579-3000

Copies of these filings are also available, without charge, on our website at <http://www.extremenetworks.com>.

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**11. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares.**

The following table sets forth, as of August 7, 2008, certain information with respect to the beneficial ownership of our common stock by (i) each stockholder known by us to be the beneficial owner of more than 5% of our common stock, (ii) each executive officer and director of Extreme Networks, and (iii) all directors and executive officers as a group, and does not take into account any effects of the Offer:

	Number of Shares <sup>(2)</sup>	Percentage of Class <sup>(3)</sup>
<b>5% Stockholders <sup>(1)</sup></b>		
Trivium Capital Management, LLC 600 Lexington Avenue, 23rd Floor New York, NY 10022	11,220,991 <sup>(4)</sup>	9.6%
Wells Fargo & Company 420 Montgomery Street San Francisco, CA 94104	10,246,786 <sup>(5)</sup>	8.8%
Renaissance Technologies, LLC 800 Third Avenue New York, NY 10022	7,014,800 <sup>(6)</sup>	6.0%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	6,992,740 <sup>(7)</sup>	6.0%
Barclays Global Investors (Deutschland) AG Apianstrasse 6 D-85774 Unterfohring, Germany	7,044,997 <sup>(8)</sup>	6.0%
<b>Directors and Executive Officers <sup>(1)</sup></b>		
Mark A. Canepa	641,958 <sup>(9)</sup>	*
Karen M. Rogge	168,750 <sup>(10)</sup>	*
Helmut Wilke	187,500 <sup>(11)</sup>	*
Gordon Stitt	4,279,199 <sup>(12)</sup>	3.7%
Charles Carinalli	584,216 <sup>(13)</sup>	*
Kenneth Levy	575,071 <sup>(14)</sup>	*
Bob L. Corey	135,000 <sup>(15)</sup>	*
Harry Silverglide	136,405 <sup>(16)</sup>	*
John C. Shoemaker	13,333	*
Robert S. Schlossman	—	—
<b>All Executive Officers and Directors as a Group</b>	<b>6,721,432<sup>(17)</sup></b>	<b>5.7%</b>

\* Less than 1%

(1) Except as otherwise indicated, the persons named in this table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable and to the information contained in the footnotes to this table.



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- (2) Under the rules of the Securities and Exchange Commission (“**SEC**”), a person is deemed to be the beneficial owner of shares that can be acquired by such person within 60 days upon the exercise of options. In general, new hire grants vest over a four year period, with twenty-five percent of the shares subject to the option vesting one year from the date of grant, and the remaining shares subject to vesting monthly over the following 36 months at a rate of 1/48 of the total number of shares subject to the option. In general, annual option grants vest over a four year period, with all of the shares subject to the option vesting monthly over 48 months at a rate of 1/48 of the total number of shares subject to the option.
- (3) Calculated on the basis of 116,446,543 shares of common stock outstanding as of August 7, 2008, provided that any additional shares of common stock that a stockholder has the right to acquire within 60 days after August 7, 2008 are deemed to be outstanding for purposes of calculating that stockholder’s percentage of beneficial ownership. These shares are not, however, deemed to be outstanding and beneficially owned for the purpose of computing the percentage ownership of any other person.
- (4) According to the Schedule 13F filed by the stockholder with the SEC on May 15, 2008, Trivium Capital Management, LLC and related entities, including, but not limited to Trivium Offshore Fund, beneficially owned 11,220,991 shares.
- (5) According to the Schedule 13G/A filed by the stockholder with the SEC on February 8, 2008, Wells Fargo & Company beneficially owned 10,246,786 shares, had sole dispositive power over 10,183,078 shares, and sole voting power over 9,777,786 shares.
- (6) According to the Schedule 13G filed by the stockholder with the SEC on February 13, 2008, Renaissance Technologies, LLC beneficially owned 7,014,800 shares, had sole dispositive power over 7,014,800 shares, and sole voting power over 7,014,800 shares.
- (7) According to the Schedule 13G/A filed by the stockholder with the SEC on February 8, 2008, BlackRock, Inc. beneficially owned 6,992,740 shares, had sole dispositive power over no shares, and sole voting power over no shares.
- (8) According to the Schedule 13G/A filed by the stockholder with the SEC on February 5, 2008, Barclay Global Investors (Deutschland) AG beneficially owned 7,044,997 shares, had sole dispositive power over 7,044,997 shares, and sole voting power over 6,654,990 shares.
- (9) Includes 538,958 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.
- (10) Includes 168,750 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.
- (11) Includes 187,500 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.
- (12) Includes 611,666 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.
- (13) Includes 194,216 shares held by Charles Peter Carinalli and/or Connie Sue Carinalli, Trustees of the Carinalli Living Trust dated April 24, 1996. Includes 380,000 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.
- (14) Includes 10,000 shares held in the Gloria and Kenneth Levy Foundation, a charitable foundation with Gloria and Kenneth Levy as trustees. Includes 330,071 shares held in The Levy Family Trust, DTD 2-18-83, Gloria and Kenneth Levy are trustees. Includes 235,000 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.
- (15) Includes 125,000 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.
- (16) Includes 125,000 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.
- (17) Includes 2,317,874 shares that are subject to stock options that may be exercised within 60 days of August 7, 2008.

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The information with respect to beneficial ownership is based upon information furnished by each director or executive officer, or information contained in filings made with the Securities and Exchange Commission.

Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 30,303,030 shares in the Offer, which represents the maximum amount of shares that we would purchase based on the minimum price per share of \$3.30 in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 7.6%. Our Chairman of the Board, Gordon Stitt, has an option to purchase 380,000 shares at a price of \$2.875 per share, which option expires in October 2008. Mr. Stitt has advised that, while he will not tender shares in the Offer, he may, in compliance with our stock ownership guidelines and applicable law, exercise and sell the shares of common stock subject to this option in open market transactions during the pendency of the Offer at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. In addition, our other directors and executive officers may also, in compliance with stock ownership guidelines and applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the Offer. See “Risks to Non-tendering Stockholders.”

### **Equity Compensation Plan Information.**

We currently maintain two compensation plans that provide for the issuance of our common stock to officers and other employees, directors and consultants. These consist of the 2005 Equity Incentive Plan, as amended to date (the “**2005 Plan**”), and the 1999 Employee Stock Purchase Plan, as amended to date (the “**Stock Purchase Plan**”), which have been approved by our stockholders. The Stock Purchase Plan was adopted by our board of directors in January 1999, and was approved by our stockholders in February 1999. The 2005 Plan was adopted by our board of directors on October 20, 2005, and was approved by our stockholders on December 2, 2005. The 2005 Plan replaced the 1996 Stock Option Plan (the “**1996 Plan**”), the 2000 Stock Plan and the 2001 Stock Plan. The 2005 Plan expressly provides that, without the approval of a majority of the votes cast in person or by proxy at a meeting of our stockholders, the administrator of the 2005 Plan (the Compensation Committee or other committee or subcommittee of the board of directors or, in the absence of such committee, the board of directors) may not provide for either the cancellation of outstanding options or stock appreciation rights in exchange for the grant of new options or stock appreciation rights at a lower exercise price or the amendment of outstanding options or stock appreciation rights to reduce the exercise price.

The following table summarizes our equity compensation plans as of July 1, 2008:

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u>	<u>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</u>	<u>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans <sup>(3)</sup></u>
Equity compensation plans approved by security holders	17,743,122 <sup>(1)</sup>	\$ 4.82	16,427,575 <sup>(4)</sup>
Equity compensation plans not approved by security holders	1,033,621 <sup>(2)</sup>	\$ 7.90	—
Totals	18,776,743	\$ 4.99	16,427,575

(1) Of this amount, options for 10,212,240 shares and 300,333 shares of restricted stock were outstanding under the 2005 Plan, and options for 7,230,549 shares were outstanding under the 1996 Plan.

(2) Of this amount, options for 424,208 shares were outstanding under the 2000 Stock Plan and options for 598,187 shares were outstanding under the 2001 Stock Plan. Includes outstanding options for 11,226 shares with an average exercise price of \$0.9820 per share that were assumed in connection with acquisitions. No additional options are available for future issuance under such acquired plans.

(3) Effective as of December 2, 2005, the 1996 Plan, the 2000 Stock Plan and the 2001 Stock Plan were terminated and up to 11,000,000 shares subject to awards that remained outstanding under the 1996 Plan,

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the 2000 Stock Plan and the 2001 Stock Plan as of December 2, 2005 and which subsequently terminate without having been exercised or which are forfeited to the Company were added to the shares available under the 2005 Plan.

- (4) Of this amount 5,103,251 shares were available for issuance under the Stock Purchase Plan and 11,324,324 shares were available for issuance under the 2005 Plan.

**Recent Securities Transactions.** Based upon our records and upon information provided to us by our directors, executive officers, associates and subsidiaries, neither we nor any of our subsidiaries or persons controlling us nor, to our knowledge, any of our directors, executive officers or associates, nor any director or executive officer of any of our subsidiaries, has effected any transactions in our shares during the 60 days prior to the date of this Offer to Purchase.

**Arrangements With Others Concerning Our Securities.** Except (i) for the Rights Agreement described in Section 8 above; (ii) for outstanding options to purchase shares granted to certain employees (including executive officers); (iii) for stock and options held in Extreme's various equity compensation plans, and (iv) as otherwise described in this Offer to Purchase, neither we nor any of our subsidiaries or person controlling us nor, to our knowledge, any of our directors, executive officers or associates, nor any director or executive officer of any of our subsidiaries, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the Offer with respect to any of our securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

## **12. Effects of the Offer on the Market for Our Shares; Registration Under the Securities Exchange Act of 1934.**

Our purchase of shares in the Offer will reduce the number of our shares that might otherwise trade publicly and may reduce the number of our stockholders. As of August 7, 2008, approximately 112,234,693 shares of our common stock were held by non-affiliated stockholders. Assuming the Offer is fully subscribed, we will have between approximately 81,931,663 and 85,207,666 shares held by non-affiliated stockholders following the purchase of shares tendered in the Offer, based on the minimum price per share of \$3.30 and the maximum price per share of \$3.70, respectively. The actual number of shares outstanding will depend on the number of shares tendered and purchased in the Offer.

This may reduce the volume of trading in the shares and make it more difficult to buy or sell significant amounts of shares without affecting the market price, which could adversely affect continuing stockholders. Nonetheless, we anticipate that there will still be a sufficient number of shares outstanding and publicly traded following the Offer to ensure a continued trading market in the shares. Based on the published guidelines of NASDAQ, we do not believe that our purchase of shares pursuant to the Offer will cause our remaining shares to be delisted from NASDAQ.

The shares are currently "margin securities" under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit on the collateral of the shares. We believe that, following the purchase of shares pursuant to the Offer, the shares will continue to be "margin securities" for purposes of the Federal Reserve Board's margin regulations.

Our shares are registered under the Exchange Act, which requires, among other things, that we furnish specific information to our stockholders and to the Securities and Exchange Commission and comply with the Securities and Exchange Commission's proxy rules in connection with meetings of our stockholders. We believe that our purchase of shares in the Offer will not result in the shares becoming eligible for deregistration under the Exchange Act.

### 13. Legal Matters; Regulatory Approvals.

Except as described in this Offer to Purchase, we are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our acquisition of shares as contemplated by the Offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for our acquisition or ownership of shares as contemplated by the Offer. Should any such approval or other action be required, we currently contemplate that we will seek approval or such other action. We cannot predict whether we may determine that we are required to delay the acceptance for payment of, or payment for, shares tendered in response to the Offer pending the outcome of any of these matters. There can be no assurance that any approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any approval or other action might not result in adverse consequences to our business.

Our obligation to accept for payment and pay for shares under the Offer is subject to various conditions. *See Section 7.*

### 14. Certain United States Federal Income Tax Consequences.

The following discussion describes certain United States federal income tax consequences of participating in the Offer for U.S. Holders (as defined below). This discussion is based upon the Internal Revenue Code of 1986, as amended (the “*Code*”), applicable U.S. Treasury regulations, administrative pronouncements and judicial decisions in effect on the date of this document, all of which are subject to change, with possible retroactive effect. The discussion is for general information only and does not purport to consider all aspects of federal income taxation that may be relevant to U.S. Holders.

The discussion deals only with shares held as capital assets within the meaning of Section 1221 of the Code, and does not address matters that may be relevant to stockholders in light of their particular circumstances. It also does not address matters that may be relevant to certain stockholders subject to special treatment under the Code, such as financial institutions, insurance companies, S corporations, partnerships and other pass-through entities, stockholders liable for the alternative minimum tax, dealers in securities or currencies, traders who elect to apply a mark-to-market method of accounting, tax-exempt organizations, U.S. expatriates, directors, employees, former employees or other persons who acquired their shares as compensation, including upon the exercise of employee stock options, and persons who are holding shares as part of a straddle, conversion, constructive sale, hedge or hedging or other integrated transaction. The discussion does not consider the effect of any applicable estate tax, gift tax, state, local or foreign tax consequences of participating in the Offer. **Each U.S. Holder is urged to consult the U.S. Holder’s tax advisor as to the particular tax consequences to such U.S. Holder of participating or not participating in the Offer, including the applications of state, local and foreign tax laws and possible tax law changes.**

As used herein, a “U.S. Holder” means a beneficial holder of shares that is for U.S. federal income tax purposes: (a) an individual citizen or resident of the United States, (b) a corporation or entity treated as a corporation for U.S. federal income tax purposes organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to United States federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision of the trust’s administration and one or more United States persons have the authority to control all substantial decisions of the trust.

Foreign stockholders (as defined in *Section 3*) should consult their tax advisors regarding the U.S. federal income tax consequences and any applicable foreign tax consequences of the Offer and also should see *Section 3* for a discussion of the applicable U.S. withholding rules and the potential for obtaining a refund of all or a portion of any tax withheld.

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**Non-Participation in the Tender Offer.** U.S. Holders that do not participate in the Offer will not incur any tax liability as a result of the consummation of the Offer.

**Exchange of Shares Pursuant to the Tender Offer.** The exchange of shares for cash pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder that participates in the Offer will be treated, depending on such U.S. Holder's particular circumstances, either as recognizing gain or loss from the disposition of the shares or as receiving a dividend distribution from us.

Under the stock redemption rules of Section 302 of the Code, a U.S. Holder will recognize gain or loss on an exchange of shares for cash if the exchange: (a) results in a "complete termination" of all such U.S. Holder's equity interest in us, (b) results in a "substantially disproportionate" redemption with respect to such U.S. Holder, or (c) is "not essentially equivalent to a dividend" with respect to the U.S. Holder. In applying the Section 302 tests, a U.S. Holder must take into account stock that such U.S. Holder constructively owns under certain attribution rules, pursuant to which the U.S. Holder will be treated as owning shares of our stock owned by certain family members (except that in the case of a "complete termination" a U.S. Holder may waive, under certain circumstances, attribution from family members) and related entities and shares of our stock that the U.S. Holder has the right to acquire by exercise of an option. An exchange of shares for cash will be a substantially disproportionate redemption with respect to a U.S. Holder if the percentage of the then-outstanding shares owned by such U.S. Holder in us immediately after the exchange is less than 80% of the percentage of the shares owned (directly and by attribution) by such U.S. Holder in us immediately before the exchange. If an exchange of shares for cash fails to satisfy the "substantially disproportionate" test, the U.S. Holder nonetheless may satisfy the "not essentially equivalent to a dividend" test. An exchange of shares for cash will satisfy the "not essentially equivalent to a dividend" test if it results in a "meaningful reduction" of the U.S. Holder's equity interest in us. An exchange of shares for cash that results in any reduction of the proportionate equity interest in us of a U.S. Holder with a relative equity interest in us that is minimal and who does not exercise any control over or participate in the management of our corporate affairs should be treated as "not essentially equivalent to a dividend." U.S. Holders should consult their tax advisors regarding the application of the rules of Section 302 in their particular circumstances.

If a U.S. Holder is treated as recognizing gain or loss from the disposition of the shares for cash, such gain or loss will be equal to the difference between the amount of cash received and such U.S. Holder's tax basis in the shares exchanged therefor. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the shares exceeds one year as of the date of the exchange.

If a U.S. Holder is not treated under the Section 302 tests as recognizing gain or loss on an exchange of shares for cash, the entire amount of cash received by such U.S. Holder pursuant to the exchange will be treated as a dividend to the extent of the portion of our current and accumulated earnings and profits allocable to such shares. Provided certain holding period requirements are satisfied, non-corporate holders generally will be subject to U.S. federal income tax at a maximum rate of 15% on amounts treated as dividends, without reduction for the tax basis of the shares exchanged. To the extent that cash received in exchange for shares is treated as a dividend to a corporate U.S. Holder, (a) it generally will be eligible for a dividends-received deduction (subject to certain requirements and limitations) and (b) it generally will be subject to the "extraordinary dividend" provisions of the Code. Corporate U.S. Holders should consult their tax advisors concerning the availability of the dividends-received deduction and the application of the "extraordinary dividend" provisions of the Code in their particular circumstances.

To the extent that amounts received pursuant to the Offer that are treated as dividends exceed a U.S. Holder's allocable share of our current and accumulated earnings and profits, the distribution will first be treated as a non-taxable return of capital, causing a reduction in the tax basis of such U.S. Holder's shares, and any amounts in excess of the U.S. Holder's tax basis will constitute capital gain. Any remaining tax basis in the shares tendered will be transferred to any remaining shares held by such U.S. Holder.

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We cannot predict whether or to what extent the Offer will be oversubscribed. If the Offer is oversubscribed, proration of the tenders pursuant to the Offer will cause us to accept fewer shares than are tendered. Accordingly, a U.S. Holder can be given no assurance that a sufficient number of such U.S. Holder's shares will be exchanged pursuant to the Offer in order for the stockholder to meet any of the three Section 302 tests for sale or exchange treatment, rather than dividend treatment, for U.S. federal income tax purposes. **Each U.S. Holder is urged to consult the U.S. Holder's own tax advisor as to the application of the Section 302 tests to his or her particular circumstances.**

**Withholding.** For a discussion of certain withholding tax consequences to tendering stockholders, see *Section 3*.

**Information Reporting.** Information statements will be provided to U.S. Holders whose shares are purchased by us and to the IRS, reporting the payment of the total purchase price (except with respect to U.S. Holders that are exempt from the information reporting rules, such as corporations).

**The federal income tax discussion set forth above is included for general information only. Each U.S. Holder is urged to consult the U.S. Holder's own tax advisor to determine the particular tax consequences to him or her (including the applicability and effect of the constructive ownership rules and estate and gift taxes, foreign, state and local tax laws and possible tax law changes) of the sale of shares pursuant to the Offer.**

### **15. Extension of The Offer; Termination; Amendment.**

We reserve the right, in our sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in *Section 7* occur or are deemed by us to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the depositary and making a public announcement of the extension. We also reserve the right, in our sole discretion, to terminate the Offer and not accept for payment or pay for any shares not already accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in *Section 7* by giving oral or written notice of such termination or postponement to the depositary and making a public announcement of the termination or postponement. Our reservation of the right to delay acceptance for payment and to delay payment for shares which we have accepted for payment is limited by Rule 13e-4(f)(5) under the Exchange Act, which requires that we must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of the Offer.

Subject to compliance with applicable law, we also reserve the right, in our sole discretion, and regardless of whether any of the events set forth in *Section 7* occur or are deemed by us to have occurred, to amend the Offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the Offer to holders of shares or by decreasing or increasing the number of shares being sought in the Offer.

The announcement, in the case of an extension, shall be issued no later than 9:00 a.m., New York time, on the next business day after the last previously scheduled or announced expiration date.

Any public announcement made under the Offer will be disseminated promptly to stockholders in a manner reasonably designed to inform stockholders of that change. Without limiting the manner in which we may choose to make any public announcement, except as provided by applicable law, we have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to PR Newswire or another comparable news service.

If we materially change the terms of the Offer or the information concerning the Offer, we will extend the Offer to the extent required by Rule 13e-4 promulgated under the Exchange Act. This rule and certain related

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releases and interpretations of the Securities and Exchange Commission provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information.

If we undertake any of the following actions:

- increase or decrease the range of prices to be paid for the shares;
- increase the amount of shares being sought in the Offer;
- decrease the amount of shares being sought in the Offer; or
- materially change the fees to be paid to our dealer manager,

and the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this *Section 15*, then the Offer will be extended until the expiration of a period of ten business days.

### **16. Fees and Expenses.**

We have retained Goldman, Sachs & Co. to act as our financial advisor in connection with the Offer and to act as dealer manager. In its role as dealer manager, Goldman, Sachs & Co. may contact brokers, dealers and similar entities and may provide information regarding the Offer to those that it contacts or persons that contact it. In addition, the dealer manager has given us advice with respect to the Offer and will receive compensation in connection with the Offer. Our arrangement with the dealer manager provides for reasonable and customary compensation. We have also agreed to reimburse the dealer manager for reasonable out-of-pocket expenses incurred in connection with the Offer, including reasonable fees and expenses of counsel, and to indemnify the dealer manager against various liabilities in connection with the Offer, including liabilities under the federal securities laws. The dealer manager in the ordinary course of its business purchases and/or sells our securities, including the shares, for its own account and for the account of its customers. As a result, the dealer manager at any time may own certain of our securities, including the shares. In addition, the dealer manager may tender shares into the tender offer for its own account.

The dealer manager has in the past and may continue in the future to provide various investment banking and other services to us, for which it has received and would receive customary compensation from us.

We have retained MacKenzie Partners, Inc. to act as information agent and Mellon to act as depositary in connection with the Offer. The information agent may contact holders of shares by mail, telephone, telegraph and in person and may request that brokers, dealers, commercial banks, trust companies and other nominee stockholders forward materials relating to the Offer to beneficial owners. The information agent and the depositary will each receive reasonable and customary compensation for their services, will be reimbursed by us for specified reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

We will not pay fees or commissions to any broker, dealer, commercial bank, trust company or other person for soliciting any shares under the Offer, other than as described above. We will, however, on request, reimburse brokers, dealers, commercial banks, trust companies and other persons for customary handling and mailing expenses incurred in forwarding the Offer and related materials to the beneficial owners for when they act as nominees. No broker, dealer, commercial bank or trust company has been authorized to act as our agent or as an agent of our dealer manager, information agent or depositary for purposes of the Offer. We will pay, or cause to be paid, any stock transfer taxes on our purchase of shares, except as otherwise provided in *Section 5* hereof and in Instruction 7 of the Letter of Transmittal.

**17. Miscellaneous.**

We are not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the Offer is not in compliance with any applicable law, we will make a good faith effort to comply with the applicable law. If, after good faith effort, we cannot comply with the applicable law, we will not make the Offer to, nor will we accept tenders from or on behalf of, the holders of shares residing in that jurisdiction. In any jurisdiction where the securities or blue sky laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by the dealer manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

In accordance with Rule 13e-4 under the Exchange Act, we have filed with the Securities and Exchange Commission a Tender Offer Statement on Schedule TO that contains additional information with respect to the Offer. The Schedule TO, including the exhibits and any amendments thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in *Section 10* with respect to information concerning us.

**We have not authorized any person to make any recommendation on our behalf regarding whether you should tender or refrain from tendering your shares in the Offer. We have not authorized any person to provide any information or make any representation in connection with the Offer, other than those contained in this Offer to Purchase or in the Letter of Transmittal. You should not rely upon any recommendation, information or representation that is given or made to you as having been authorized by Extreme, the dealer manager or the information agent.**

Extreme Networks, Inc.  
August 11, 2008



**The Depository for the Offer is:**



**Mellon**

**Mellon Investor Services**

*A Mellon Financial Company*

**By Mail**

Mellon Investor Services LLC  
Attn: Corporate Actions Depart., 27th Floor  
P.O. Box 3301  
South Hackensack, NJ 07606-3301

**By Overnight Courier, Hand or Registered Mail**

Mellon Investor Services LLC  
Attn: Corporate Actions  
480 Washington Blvd., 27th Floor  
Jersey City, NJ 07310

Manually signed facsimile copies of the Letter of Transmittal will be accepted. The Letter of Transmittal and certificates for shares and any other required documents should be sent or delivered by each Extreme record stockholder or the stockholder's broker, dealer, commercial bank, trust company or nominee to the depository at its address set forth above.

Any questions or requests for assistance may be directed to the information agent or the dealer manager at their telephone numbers or addresses set forth below. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the notice of guaranteed delivery may be directed to the information agent at the telephone number or address set forth below. You may also contact your broker, dealer, commercial bank, trust company or nominee for assistance concerning the Offer. To confirm delivery of shares, stockholders are directed to contact the depository.

**The Information Agent for the Offer is:**



105 Madison Avenue  
New York, NY 10016

(212) 929-5500 (call collect)

or

(800) 322-2885 (call toll-free)

Email: [Extreme@mackenziepartners.com](mailto:Extreme@mackenziepartners.com)

**The Dealer Manager for our Offer is:**



85 Broad Street  
New York, NY 10004

(212) 902-1000 (call collect)

(800) 323-5678 (call toll-free)

**LETTER OF TRANSMITTAL**  
**TO ACCOMPANY SHARES OF COMMON STOCK**  
**(including the associated preferred stock purchase rights)**

OF

**EXTREME NETWORKS, INC.**

**TENDERED PURSUANT TO THE OFFER TO PURCHASE**  
**DATED AUGUST 11, 2008, AS AMENDED OR SUPPLEMENTED FROM TIME TO TIME**

**THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 5:00 P.M.,**  
**NEW YORK TIME, ON SEPTEMBER 12, 2008, UNLESS THE OFFER IS EXTENDED**

*The Depositary for our Offer is:*



**Mellon**

**Mellon Investor Services**

*A Mellon Financial Company*

***By First Class Mail:***

Mellon Investor Services LLC  
 Attn: Corporate Actions Depart., 27th Floor  
 P.O. Box 3301  
 South Hackensack, NJ 07606-3301

***By Hand, Overnight Courier or Express Mail:***

Mellon Investor Services LLC  
 Attn: Corporate Actions  
 480 Washington Blvd., 27th Floor  
 Jersey City, NJ 07310

YOU SHOULD READ CAREFULLY THIS LETTER OF TRANSMITTAL, INCLUDING THE ACCOMPANYING INSTRUCTIONS, BEFORE YOU COMPLETE IT. FOR THIS LETTER OF TRANSMITTAL TO BE PROPERLY DELIVERED, IT MUST BE RECEIVED BY THE DEPOSITARY AT ONE OF THE ABOVE ADDRESSES BEFORE OUR OFFER EXPIRES (IN ADDITION TO THE OTHER REQUIREMENTS DETAILED IN THIS LETTER OF TRANSMITTAL AND ITS INSTRUCTIONS). DELIVERY OF THIS LETTER OF TRANSMITTAL TO ANOTHER ADDRESS WILL NOT CONSTITUTE PROPER DELIVERY. DELIVERIES TO US, THE DEALER MANAGER, THE INFORMATION AGENT OR THE BOOK-ENTRY TRANSFER FACILITY WILL NOT BE FORWARDED TO THE DEPOSITARY AND WILL NOT CONSTITUTE A PROPER DELIVERY.

**DESCRIPTION OF SHARES TENDERED**  
*(See Instructions 3 and 4)*

Name(s) and Address(es) of Registered Holder(s) (please fill in exactly as name(s) appear(s) on Certificate(s))	Shares Tendered For Certificates Enclosed(1) (Attach Additional Signed List if Necessary)		
	Certificate Number	Total Number of Shares Evidenced by Certificate(s)	Number of Shares Tendered(2)
	Total Certificated Shares Tendered:		
	Total Shares Tendered by		
	Book-Entry:		
	<b>Total Shares Tendered:</b>		

(1) Need not be completed by stockholders who tender shares by book-entry transfer.  
 (2) Unless otherwise indicated, it will be assumed that all shares represented by any certificates delivered to the depositary are being tendered. See Instruction 4.

**WHEN THIS LETTER OF TRANSMITTAL SHOULD BE USED:**

You should complete this Letter of Transmittal only if:

- You are including with this Letter of Transmittal certificates representing shares that you are tendering (or the certificates will be delivered pursuant to a notice of guaranteed delivery you have previously sent to the depository); or
- You are concurrently tendering shares by book-entry transfer to the account maintained by the depository at The Depository Trust Company (the “book-entry transfer facility”) pursuant to Section 3 of the Offer to Purchase and you are not using an agent’s message (as defined in Instruction 2).

If you want to tender your shares pursuant to our Offer but (1) your certificates are not immediately available, (2) you cannot deliver all documents required by this Letter of Transmittal to the depository before our Offer expires, or (3) you cannot comply with the procedure for book-entry transfer on a timely basis, you can still tender your shares if you comply with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. *See Instruction 2.*

**ADDITIONAL INFORMATION REGARDING TENDERED SHARES**

- Check here if any certificate evidencing the shares you are tendering with this Letter of Transmittal has been lost, stolen, destroyed or mutilated. If so, you must complete an affidavit of loss and return it with your Letter of Transmittal. A bond may be required to be posted by you to secure against the risk that the certificates may be recirculated. Please call Mellon Investor Services LLC, as the transfer agent for the shares, at (800) 522-6645 (toll-free) to obtain an affidavit of loss, for further instructions and for a determination as to whether you will need to post a bond. *See Instruction 12.*
  
- Check here if tendered shares are being delivered by book-entry transfer made to an account maintained by the depositary with the book-entry transfer facility and complete the following (only financial institutions that are participants in the system of the book-entry transfer facility may deliver shares by book-entry transfer):

Name of Tendering Institution: \_\_\_\_\_

Account Number: \_\_\_\_\_

Transaction Code Number: \_\_\_\_\_

- Check here if tendered shares are being delivered pursuant to a notice of guaranteed delivery previously sent to the depositary and complete the following:

Name(s) of Registered Owner(s): \_\_\_\_\_

Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_

Name of Institution that Guaranteed Delivery: \_\_\_\_\_

Account Number: \_\_\_\_\_

**PRICE AT WHICH YOU ARE TENDERING**

(See Instruction 5)

YOU MUST CHECK ONE BOX AND ONLY ONE BOX IF YOU WANT TO TENDER YOUR SHARES. IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED, YOUR SHARES WILL NOT BE PROPERLY TENDERED.

**SHARES TENDERED AT A PRICE DETERMINED BY YOU:**

By checking one of the following boxes below INSTEAD OF THE BOX UNDER "SHARES TENDERED AT A PRICE DETERMINED PURSUANT TO THE OFFER," you are tendering shares at the price checked. This action would result in none of your shares being purchased if the purchase price selected by Extreme Networks, Inc. for the shares is less than the price checked below. If you want to tender portions of your shares at more than one price, you must complete a separate Letter of Transmittal for each price at which you tender shares. The same shares cannot be tendered at more than one price.

**PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED**

- |                                 |                                 |                                 |
|---------------------------------|---------------------------------|---------------------------------|
| <input type="checkbox"/> \$3.30 | <input type="checkbox"/> \$3.50 | <input type="checkbox"/> \$3.70 |
| <input type="checkbox"/> \$3.35 | <input type="checkbox"/> \$3.55 |                                 |
| <input type="checkbox"/> \$3.40 | <input type="checkbox"/> \$3.60 |                                 |
| <input type="checkbox"/> \$3.45 | <input type="checkbox"/> \$3.65 |                                 |

OR

**SHARES TENDERED AT A PRICE DETERMINED PURSUANT TO THE OFFER:**

- By checking THIS ONE BOX INSTEAD OF ONE OF THE PRICE BOXES ABOVE, you are tendering shares and are willing to accept the purchase price selected by Extreme Networks, Inc. in accordance with the terms of our Offer. This action will maximize the chance of having Extreme purchase your shares (subject to the possibility of proration). Note that this could result in your receiving a price per share as low as \$3.30.

**ODD LOTS**

As described in Section 1 of the Offer to Purchase, under certain conditions, stockholders holding fewer than 100 shares may have their shares accepted for payment before any proration of other tendered shares. This preference is not available to partial tenders, or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have separate accounts representing fewer than 100 shares. Accordingly, this section is to be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of fewer than 100 shares in the aggregate, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

In addition, the undersigned is tendering shares either (check one box):

- at the purchase price, as the same will be determined by Extreme in accordance with the terms of the Offer; or
- at the price per share indicated above in the section captioned "Price per Share at which Shares Are Being Tendered."

**CONDITIONAL TENDER**

*(See Instruction 13)*

You may condition your tender of shares on our purchasing a specified minimum number of your tendered shares, all as described in Section 6 of the Offer to Purchase. Unless the minimum number of shares you indicate below is purchased by us in our Offer, none of the shares you tender will be purchased. It is your responsibility to calculate that minimum number of shares that must be purchased if any are purchased, and you are urged to consult your own tax advisor before completing this section. Unless this box has been checked and a minimum number of shares specified, your tender will be deemed unconditional.

The minimum number of shares that must be purchased, if any are purchased, is: \_\_\_\_\_ shares.

If, because of proration, the minimum number of shares that you designated above will not be purchased, we may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares and checked this box:

The tendered shares represent all shares held by me.

**SPECIAL DELIVERY INSTRUCTIONS**

*(See Instructions 1, 6, 7 and 8)*

Complete this box ONLY if you want certificate(s) for shares not tendered or not purchased and/or any check for the purchase price, where such shares and check are to be issued in your name, to be mailed or sent to someone other than you or to you at an address other than the one shown above.

Name: \_\_\_\_\_  
(PLEASE PRINT)

Address: \_\_\_\_\_

\_\_\_\_\_  
(INCLUDE ZIP CODE)

\_\_\_\_\_  
(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)

**NOTE: SIGNATURES MUST BE PROVIDED IN THE BOX BELOW LABELED  
“IMPORTANT—STOCKHOLDERS SIGN HERE”**

**IF YOU WANT TO TENDER YOUR SHARES,  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.**

To Mellon Investor Services LLC:

The undersigned hereby tenders to Extreme Networks, Inc., a Delaware corporation (“*Extreme*”), the above-described shares of Extreme common stock, \$0.001 par value per share, including the associated preferred stock purchase rights, at the price per share indicated in this Letter of Transmittal, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated August 11, 2008, receipt of which is hereby acknowledged, and in this Letter of Transmittal which, together with the Offer to Purchase, as amended or supplemented from time to time, together constitute the Offer.

Subject to, and effective upon, acceptance for payment of the shares tendered in accordance with the terms and subject to the conditions of the Offer, including, if the Offer is extended or amended, the terms and conditions of the extension or amendment, the undersigned agrees to sell, assign and transfer to, or upon the order of, Extreme all right, title and interest in and to all shares tendered and orders the registration of all shares tendered by book-entry transfer that are purchased under the Offer to or upon the order of Extreme and irrevocably constitutes and appoints the depository as the true and lawful agent and attorney-in-fact of the undersigned with respect to the shares with full knowledge that the depository also acts as the agent of Extreme, with full power of substitution (the power of attorney being deemed to be an irrevocable power coupled with an interest), to:

1. deliver certificate(s) representing the shares or transfer ownership of the shares on the account books maintained by the book-entry transfer facility, together, in either case, with all accompanying evidences of transfer and authenticity, to, or upon the order of, Extreme upon receipt by the depository, as the undersigned’s agent, of the purchase price with respect to the shares;
2. present certificates for the shares for cancellation and transfer on Extreme books; and
3. receive all benefits and otherwise exercise all rights of beneficial ownership of the shares, subject to the next paragraph, all in accordance with the terms and subject to the conditions of the Offer.

The undersigned covenants, represents and warrants to Extreme that:

1. the undersigned has full power and authority to tender, sell, assign and transfer the shares tendered hereby and, when and to the extent accepted for payment, Extreme will acquire good, marketable and unencumbered title to the tendered shares, free and clear of all security interests, liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer of the shares, and not subject to any adverse claims;
2. the undersigned understands that tenders of shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions to this Letter of Transmittal will constitute the undersigned’s acceptance of the terms and conditions of the Offer, including the undersigned’s representation and warranty that (a) the undersigned has a “net long position,” within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, in the shares or equivalent securities at least equal to the shares being tendered, and (b) the tender of shares complies with Rule 14e-4;
3. the undersigned will, upon request, execute and deliver any additional documents deemed by the depository or Extreme to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered; and
4. the undersigned has read, understands and agrees to all of the terms of the Offer.

The undersigned understands that Extreme's acceptance of shares tendered pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions to this Letter of Transmittal will constitute a binding agreement between the undersigned and Extreme upon the terms and subject to the conditions of the Offer. The undersigned acknowledges that under no circumstances will Extreme pay interest on the purchase price, including, without limitation, by reason of any delay in making payment.

The name(s) and address(es) of the registered holder(s) should be printed, if they are not already printed above, exactly as they appear on the certificates evidencing shares tendered. The certificate numbers, the number of shares evidenced by the certificates, the number of shares that the undersigned wishes to tender, and the price at which the shares are being tendered should be set forth in the appropriate boxes above.

The undersigned understands that Extreme will determine a single per share price, not less than \$3.30 nor greater than \$3.70, that it will pay for shares properly tendered, taking into account the number of shares tendered and the prices specified by tendering stockholders. Extreme will select the lowest purchase price specified by tendering stockholders that will enable Extreme to purchase \$100 million worth of shares or, if shares with an aggregate value of less than \$100 million are properly tendered at or below the maximum price of \$3.70 per share, the highest price at which shares were properly tendered and not properly withdrawn. All shares acquired in the Offer will be acquired at the same purchase price. All shares properly tendered at prices equal to or below the purchase price and not properly withdrawn will be purchased, subject to the conditions of the Offer, odd lot, proration and conditional tender provisions described in the Offer to Purchase. Shares tendered at prices in excess of the purchase price that is selected by Extreme and shares not purchased because of proration or conditional tenders will be returned without expense to the stockholder.

The undersigned recognizes that under the circumstances set forth in the Offer to Purchase, Extreme may terminate or amend the Offer; may postpone the acceptance for payment of, or the payment for, shares tendered; or may accept for payment fewer than all of the shares tendered. The undersigned understands that certificate(s) for any shares not tendered or not purchased will be returned to the undersigned at the address indicated above, unless otherwise indicated in the box entitled "Special Delivery Instructions" above. The undersigned acknowledges that Extreme has no obligation, pursuant to the "Special Delivery Instructions" box, to transfer any certificate for shares from the name of its registered holder(s), or to order the registration or transfer of any shares tendered by book-entry transfer, if Extreme does not purchase any of the shares represented by such certificate or tendered by such book-entry transfer.

The check for the aggregate net purchase price for the shares tendered and purchased will be issued to the order of the undersigned and mailed to the address indicated above, unless otherwise indicated in the box entitled "Special Delivery Instructions" above.

All authority conferred or agreed to be conferred by this Letter of Transmittal will survive the death or incapacity of the undersigned, and any obligation of the undersigned will be binding on the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and legal representatives of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.



**IMPORTANT**

**STOCKHOLDERS SIGN HERE  
(PLEASE COMPLETE AND RETURN THE ATTACHED SUBSTITUTE FORM W-9)**

(The registered holder(s) must sign this document exactly as name(s) appear(s) on certificates(s) for shares or on a security position listing or the person(s) authorized to become the registered holder(s) by certificates and documents transmitted with this Letter of Transmittal must sign this document. If a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity is signing this document, please set forth your full title and *see Instruction 6.*)

\_\_\_\_\_  
(Signature of Owner)

Dated: \_\_\_\_\_

Name(s): \_\_\_\_\_

Capacity (full title): \_\_\_\_\_

Address: \_\_\_\_\_

(Include Zip Code)

Daytime Area Code and Telephone Number: \_\_\_\_\_

Tax Identification or Social Security Number: \_\_\_\_\_

(See Substitute Form W-9)

**APPLY MEDALLION GUARANTEE STAMP BELOW**  
(See Instructions 1 and 6)

**SUBSTITUTE**

**Form W-9**

Department of the Treasury,  
Internal Revenue Service

**Request for Taxpayer Identification Number (TIN) and Certification**

Name:  
Address:

- Individual
- Partnership
- Corporation
- Other (specify)
- Exempt from backup withholding

**PART I. TAXPAYER IDENTIFICATION NUMBER (TIN)**

Please provide your Taxpayer Identification Number in the space at right and certify by signing and dating below. If awaiting TIN, write "Applied For."

SSN: \_\_\_\_\_

or

EIN: \_\_\_\_\_

**PART II. CERTIFICATION**

Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me); and
- (2) I am not subject to backup withholding either because: (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding;
- (3) I am a U.S. person (including a U.S. resident alien).

**CERTIFICATION INSTRUCTIONS**—You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

Signature \_\_\_\_\_ Date: \_\_\_\_\_, 2008

**NOTE: FAILURE TO COMPLETE AND RETURN THIS SUBSTITUTE FORM W-9 MAY RESULT IN IRS PENALTIES AND BACKUP WITHHOLDING OF 30% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST ALSO COMPLETE THE FOLLOWING CERTIFICATE IF YOU ARE AWAITING (OR WILL SOON APPLY FOR) A TAXPAYER IDENTIFICATION NUMBER.**

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within 60 days, 30% of all reportable payments made to me will be withheld until I provide a taxpayer identification number to the depository.

Signature \_\_\_\_\_

Name (Please Print) \_\_\_\_\_

Date: \_\_\_\_\_, 2008

**Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding**

Department of the Treasury  
Internal Revenue Service

u Section references are to the Internal Revenue Code. u See separate instructions.  
u Give this form to the withholding agent or payer. Do not send to the IRS.

**Do not use this form for: Instead, use Form:**

- A U.S. citizen or other U.S. person, including a resident alien individual W-9
- A person claiming that income is effectively connected with the conduct of a trade or business in the United States W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) W-8ECI or W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) W-8ECI or W-8EXP

**Note:** These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.

- A person acting as an intermediary W-8IMY
- Note:** See instructions for additional exceptions.

**Part I Identification of Beneficial Owner (See instructions.)**

<b>1</b> Name of individual or organization that is the beneficial owner			<b>2</b> Country of incorporation or organization		
<b>3</b> Type of beneficial owner:					
<input type="checkbox"/> Individual	<input type="checkbox"/> Corporation	<input type="checkbox"/> Disregarded entity	<input type="checkbox"/> Partnership	<input type="checkbox"/> Simple trust	
<input type="checkbox"/> Grantor trust	<input type="checkbox"/> Complex trust	<input type="checkbox"/> Estate	<input type="checkbox"/> Government	<input type="checkbox"/> International organization	
<input type="checkbox"/> Central bank of issue	<input type="checkbox"/> Tax-exempt organization	<input type="checkbox"/> Private foundation			
<b>4</b> Permanent residence address (street, apt. or suite no., or rural route). <b>Do not use a P.O. box or in-care-of address.</b>					
City or town, state or province. Include postal code where appropriate.			Country (do not abbreviate)		
<b>5</b> Mailing address (if different from above)					
City or town, state or province. Include postal code where appropriate.			Country (do not abbreviate)		
<b>6</b> U.S. taxpayer identification number, if required (see instructions)				<b>7</b> Foreign tax identifying number, if any (optional)	
<input type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN					
<b>8</b> Reference number(s) (see instructions)					

**Claim of Tax Treaty Benefits (if applicable)**

**9 I certify that (check all that apply):**

- a**  The beneficial owner is a resident of meaning of the income tax treaty between the United States and that country.
- b**  If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).
- c**  The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).
- d**  The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).
- e**  The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.
- 10 Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article of the treaty identified on line 9a above to claim a % rate of withholding on (specify type of income):  
Explain the reasons the beneficial owner meets the terms of the treaty article:

**Notional Principal Contracts**

- 11**  I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not effectively** connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

**Certification**

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,
  - The beneficial owner is not a U.S. person,
  - The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, and
  - For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.
- Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

**Sign Here** u -----  
Signature of beneficial owner (or individual authorized to sign for beneficial owner) Date (MM--DD-YYYY) Capacity in which acting

**For Paperwork Reduction Act Notice, see separate instructions.**

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

**Guidelines for Determining the Proper Identification Number to Give the Payer.** Social Security numbers and individual taxpayer identification numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer.

<b>For this type of account:</b>	<b>Give name and the SOCIAL SECURITY number (or individual taxpayer identification number) of—</b>	<b>Give the name and the EMPLOYER IDENTIFICATION number of—</b>
1 An individual's account	The individual	
2 Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>	
3 Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>	
4 a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee <sup>1</sup>	
b. So-called trust account that is not a legal or valid trust under State law.	The actual owner <sup>1</sup>	
		<b>For this type of account:</b>
		5 Sole proprietorship account or single owner LLC
		6 A valid trust, estate or pension trust
		7 Corporate or LLC electing corporate status on Form 8832
		8 Religious, charitable, or educational organization account or an association, club or other tax-exempt organization
		9 Partnership or multi-member LLC
		10 A broker or registered nominee
		11 Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments

- 1 List first and circle the name of the person whose number you furnish. If only one person on a joint account has a SSN, that person's number must be furnished.
- 2 Circle the minor's name and furnish the minor's SSN.
- 3 You must show your individual name and you may also enter your business of "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, the IRS encourages you to use your SSN.
- 4 List first and circle the name of the legal trust, estate or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

**Obtaining a Number**

If you do not have a taxpayer identification number, obtain Form SS-5, Application for a Social Security Card, Form SS-4, Application for Employer Identification Number or Form W-7, Application for Individual Taxpayer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

To complete Substitute Form W-9, if you do not have a taxpayer identification number, write "Applied For" in the space for the taxpayer identification number in Part 1, sign and date the Form, and give it to the requester.

**Payee Exempt from Backup Withholding**

Payees specifically exempted from backup withholding on ALL payments include the following:

- An organization exempt from tax under section 501(a), or an individual retirement plan, or a custodian account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
- The United States, or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
- An international organization or any agency, or instrumentality thereof.
- A foreign government or any of its political subdivisions, agencies or instrumentalities.

Payees that may be specifically exempted from backup withholding on payments of dividends and certain other payments include the following:

- A corporation.
- A financial institution.
- A futures commission merchant registered with the Commodity Futures Trading Commission.
- A dealer in securities or commodities registered in the U.S., the District of Columbia or a possession of the U.S.
- A real estate investment trust.
- A middleman known in the industry as a nominee or custodian.
- A common trust fund operated by a bank under section 584(a).
- A trust exempt from tax under section 664 or described in section 4947.
- An entity registered at all times during the taxable year under the Investment Company Act of 1940.
- A foreign central bank of issue.

Exempt payees should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, CHECK THE BOX LABELED "EXEMPT FROM BACKUP WITHHOLDING", SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

**Privacy Act Notice.**—Section 6109 requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. The IRS uses the numbers for identification purposes and may also provide this information to various government agencies for tax enforcement of litigation purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 30% of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

**Penalties:**

1. **Penalty for Failure to Furnish Taxpayer identification Number.**—If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

2. **Civil Penalty for False Information With Respect to Withholding.**—If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

3. **Criminal Penalty for Falsifying Information.**—Willfully falsifying certifications or affirmations may be subject to criminal penalties including fines and/or imprisonment.

4. **Misuse of Taxpayer Identification Numbers.**— If the requester discloses or uses taxpayer identification numbers in violation of Federal Law, the requester may be subject to civil and criminal penalties.

**FOR ADDITIONAL INFORMATION CONTACT YOUR TAX ADVISOR OR THE INTERNAL REVENUE SERVICE.**

**INSTRUCTIONS  
FORMING PART OF THE TERMS AND CONDITIONS OF OUR OFFER**

1. *Guarantee Of Signatures.* Depending on how the certificates for your shares are registered and to whom you want deliveries made, you may need to have the signatures on this Letter of Transmittal guaranteed by an eligible guarantor institution. No signature guarantee is required if either:

- this Letter of Transmittal is signed by the registered holder(s) of the shares tendered (which, for these purposes, includes any participant in the book-entry transfer facility whose name appears on a security position listing as the owner of the shares) exactly as the name of the registered holder(s) appears on the certificate(s) for the shares and payment is to be made directly to the holder, unless the holder has completed the box entitled “Special Delivery Instructions” above, in which case, delivery will not be made to the holder; or
- the shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity that is also an “eligible guarantor institution,” as that term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, each such entity, referred to as an “eligible guarantor institution.”

In all other cases, including if you have completed the box entitled “Special Delivery Instructions” above, an eligible guarantor institution must guarantee all signatures on this Letter of Transmittal. You may also need to have any certificates you deliver endorsed or accompanied by a stock power, and the signatures on these documents also may need to be guaranteed. *See Instruction 6.*

2. *Delivery of Letter of Transmittal and Certificates; Guaranteed Delivery Procedures.* For your shares to be properly tendered, EITHER (1) OR (2) below must happen:

(1) The depository must receive all of the following at its address above in this Letter of Transmittal before or on the date our Offer expires:

- either (a) the certificates for the shares or (b) a confirmation of receipt of the shares pursuant to the procedure for book-entry transfer described in this instruction, and
- either (a) properly completed and executed Letter of Transmittal or a manually executed facsimile of it, including any required signature guarantees, or (b) an “agent’s message” of the type described in this Instruction 2 in the case of a book-entry transfer, and
- any other documents required by this Letter of Transmittal.

(2) You must comply with the guaranteed delivery procedure set forth below.

*Book-Entry Delivery.* Any institution that is a participant in the book-entry transfer facility’s system may make book-entry delivery of the shares by causing the book-entry transfer facility to transfer shares into the depository’s account in accordance with the book-entry transfer facility’s procedures for transfer. Delivery of this Letter of Transmittal or any other required documents to the book-entry transfer facility does not constitute delivery to the depository.

*Agent’s Message.* The term “agent’s message” means a message transmitted by the book-entry transfer facility to, and received by, the depository, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares that the participant has received and agrees to be bound by the terms of this Letter of Transmittal and that we may enforce the agreement against them.

*Guaranteed Delivery.* If you wish to tender your shares but your share certificate(s) are not immediately available or cannot be delivered to the depository before the Offer expires, the procedure for book-entry transfer

cannot be completed on a timely basis, or if time will not permit all required documents to reach the depository before the Offer expires, your shares may still be tendered, if all of the following conditions are satisfied:

- the tender is made by or through an eligible guarantor institution;
- the depository receives by hand, mail, overnight courier or facsimile transmission, before the expiration date, a properly completed and duly executed notice of guaranteed delivery in the form provided with this Letter of Transmittal, specifying the price at which shares are being tendered, including (where required) a signature guarantee by an eligible guarantor institution in the form set forth in the notice of guaranteed delivery; and
- all of the following are received by the depository within three NASDAQ Global Market trading days after the date of receipt by the depository of the notice of guaranteed delivery:
  - either (a) the certificates for the shares or (b) a confirmation of receipt of the shares pursuant to the procedure for book-entry transfer described in this instruction 2;
  - either (a) a properly completed and executed Letter of Transmittal or a manually executed facsimile of it, including any required signature guarantees, or (b) an “agent’s message” of the type described in this Instruction 2 in the case of a book-entry transfer; and
  - any other documents required by this Letter of Transmittal.

The method of delivering all documents, including share certificates, this Letter of Transmittal and any other required documents, is at your election and risk. If delivery is by mail, we recommend you use registered mail with return receipt requested, properly insured. In all cases, sufficient time should be allowed to ensure timely delivery.

Except as specifically permitted by Section 6 of the Offer to Purchase, we will not accept any alternative, conditional or contingent tenders, nor will we purchase any fractional shares, except as expressly provided in the Offer to Purchase. All tendering stockholders, by execution of this Letter of Transmittal or a manually signed facsimile of this Letter of Transmittal, waive any right to receive any notice of the acceptance of their tender.

3. *Inadequate Space.* If the space provided in the box entitled “Description of Shares Tendered” above is inadequate, the certificate numbers and/or the number of shares should be listed on a separate signed schedule and attached to this Letter of Transmittal.

4. *Partial Tenders and Unpurchased Shares.* (This paragraph does not apply to stockholders who tender by book-entry transfer.) If fewer than all of the shares evidenced by any certificate are to be tendered, fill in the number of shares that are to be tendered in the column entitled “Number of Shares Tendered” in the box entitled “Description of Shares Tendered” above. In that case, if any tendered shares are purchased, a new certificate for the remainder of the shares (including any shares not purchased) evidenced by the old certificate(s) will be issued and sent to the registered holder(s), unless otherwise specified in the box entitled “Special Delivery Instructions” in this Letter of Transmittal, as soon as practicable after the expiration date. Unless otherwise indicated, all shares represented by the certificate(s) set forth above and delivered to the depository will be deemed to have been tendered.

If any tendered shares are not purchased or are properly withdrawn, or if fewer than all shares evidenced by a stockholder’s certificates are tendered, certificates for unpurchased shares will be returned as soon as practicable after the expiration or termination of the Offer or the proper withdrawal of the shares, as applicable. In the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering stockholder at the book-entry transfer facility. In each case, shares will be returned or credited without expense to the stockholder.

5. *Indication of Price at Which Shares are Being Tendered.* If you want to tender your shares, you must properly complete the pricing section of this Letter of Transmittal, which is called “Price at Which You Are



Tendering.” You must check one box in the pricing section. If more than one box is checked or no box is checked, your shares will not be properly tendered. If you want to tender portions of your shares at more than one price, you must complete a separate Letter of Transmittal for each price at which you tender shares. However, the same shares cannot be tendered at more than one price, unless previously and properly withdrawn as provided in Section 4 of the Offer to Purchase.

6. *Signatures on Letter of Transmittal; Stock Powers and Endorsements; Exact Signature.* If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

*Joint Holders.* If the shares tendered are registered in the names of two or more joint holders, each holder must sign this Letter of Transmittal.

*Different Names on Certificates.* If any tendered shares are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate letters of transmittal (or manually signed facsimiles) as there are different registrations of certificates.

*Endorsements.* When this Letter of Transmittal is signed by the registered holder(s) of the shares tendered, no endorsements of certificates representing the shares or separate stock powers are required.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the certificates listed, the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appears on the certificates, and the signatures on the certificates or stock powers must be guaranteed by an eligible institution. *See Instruction 1.*

*Signatures of Fiduciaries.* If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or any other person acting in a fiduciary or representative capacity, that person should so indicate when signing and must submit proper evidence satisfactory to us of his or her authority to so act.

7. *Stock Transfer Taxes.* Except as provided in this Instruction 7, no stock transfer tax stamps or funds to cover tax stamps need accompany this Letter of Transmittal. We will pay any stock transfer taxes payable on the transfer to us of shares purchased pursuant to our Offer. If, however,

- payment of the purchase price is to be made to any person other than the registered holder(s);
- shares not tendered or rejected for purchase are to be registered in the name(s) of any person(s) other than the registered holder(s); or
- certificates representing tendered shares are registered in the name(s) of any person(s) other than the person(s) signing this Letter of Transmittal,

then the depository will deduct from the purchase price the amount of any stock transfer taxes (whether imposed on the registered holder(s), other person(s) or otherwise) payable on account of the transfer to that person, unless satisfactory evidence of the payment of the taxes or any exemption therefrom is submitted.

8. *Special Delivery Instructions.* If the certificates and/or checks are to be sent to someone other than the person signing this Letter of Transmittal or to the signer at a different address, the box entitled “Special Delivery Instructions” on this Letter of Transmittal should be completed as applicable and signatures must be guaranteed as described in Instruction 1.

9. *Irregularities.* All questions as to the number of shares to be accepted, the price to be paid for shares to be accepted and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of shares will be determined by us in our sole discretion. Our determination will be final and binding on

all parties. We reserve the absolute right to reject any or all tenders of any shares that we determine are not in proper form or the acceptance of or payment for which we determine may be unlawful. We also reserve the absolute right to waive any of the conditions of the Offer or any defect or irregularity in any tender with respect to any particular shares or any particular stockholder. Our interpretation of the terms of the Offer (including these instructions) will be final and binding on all parties. No tender of shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering stockholder or waived by us. Unless waived, any defects and irregularities in connection with tenders must be cured within the time period, if any, we determine. None of us, the depository, the information agent, the dealer manager or any other person will be under any duty to give notice of any defects or irregularities in any tender, or incur any liability for failure to give any notice.

10. *Questions and Requests for Assistance and Additional Copies.* Questions and requests for additional copies of the Offer to Purchase, this Letter of Transmittal or the notice of guaranteed delivery may be directed to the information agent at the telephone number and address set forth on the back page of each of the Offer to Purchase and this Letter of Transmittal.

11. *Federal Income Tax Withholding.* To prevent backup federal income tax withholding equal to 30% of the gross payments payable pursuant to the Offer, each tendering stockholder who is not a foreign stockholder (as defined below) and who does not otherwise establish an exemption from backup withholding must notify the depository of the stockholder's correct taxpayer identification number (employer identification number or social security number), or certify that that taxpayer is awaiting a taxpayer identification number, and provide various other information by completing, under penalties of perjury, the Substitute Form W-9 included in this Letter of Transmittal. If a stockholder properly certifies that such stockholder is awaiting a taxpayer identification number, 30% of any payment during the 60-day period following the date of the Substitute Form W-9 will be retained by the depository and, if the stockholder properly furnishes his or her taxpayer identification number within that 60-day period, the depository will remit the amount retained to such stockholder and will not withhold amounts from future payments under the backup withholding rules. If the stockholder does not properly furnish his or her taxpayer identification number within that 60-day period, the amount retained will be remitted to the IRS as backup withholding and backup withholding will apply to future payments. Foreign stockholders should generally complete and sign an appropriate Form W-8 to avoid backup withholding.

The depository will withhold United States federal income taxes equal to 30% of the gross payments payable to a foreign stockholder unless the depository and we determine that an exemption is available. For example, an applicable income tax treaty may reduce or eliminate such tax, in which event a foreign stockholder claiming a reduction in or exemption from such tax under the applicable income tax treaty provides through the third party withholding agent a properly completed IRS Form W-8BEN (or suitable successor form claiming the benefit of the applicable tax treaty). Alternatively, an exemption applies if the gain is effectively connected with a U.S. trade or business of the foreign stockholder and the foreign stockholder provides an appropriate statement to that effect on a properly completed IRS Form W-8ECI (or suitable successor or substitute form). For this purpose, a "foreign stockholder" is any stockholder that is not:

- a citizen or resident of the United States;
- a corporation, partnership, or other entity created or organized in or under the laws of the United States, any State or any political subdivision thereof;
- an estate, the income of which is subject to United States federal income taxation regardless of the source of the income; or
- a trust whose administration is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all of its substantial decisions.

**To comply with IRS Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used by you, for the purposes of avoiding penalties that may be imposed on you under the Internal Revenue Code; (b) such discussion is written to support the promotion or marketing of the Offer addressed by the written advice herein; and (c) you should seek advice based on your particular circumstances from an independent tax advisor.**

12. *Lost, Stolen, Destroyed or Mutilated Certificates.* If your certificate for part or all of your shares has been lost, stolen, misplaced or destroyed, you should contact Mellon Investor Services LLC, the transfer agent for our shares, at (800) 522-6645 (toll-free), for instructions as to obtaining an affidavit of loss. The affidavit of loss will then be required to be submitted together with this Letter of Transmittal in order to receive payment for shares that are tendered and accepted for payment. A bond may be required to be posted by you to secure against the risk that the certificates may be subsequently recirculated. You are urged to contact Mellon Investor Services LLC immediately in order to receive further instructions, to permit timely processing of this documentation and for a determination as to whether you will need to post a bond.

13. *Conditional Tenders.* As described in Section 6 of the Offer to Purchase, you may tender shares subject to the condition that all or a specified minimum number of your shares tendered pursuant to this Letter of Transmittal or a notice of guaranteed delivery must be purchased if any shares tendered are purchased.

If you wish to make a conditional tender, you must indicate this in the box captioned "Conditional Tender" in this Letter of Transmittal or, if applicable, the notice of guaranteed delivery. In the box captioned "Conditional Tender" in this Letter of Transmittal or the notice of guaranteed delivery, you must calculate and appropriately indicate the minimum number of shares that must be purchased if any are to be purchased.

As discussed in Section 6 of the Offer to Purchase, proration may affect whether we accept conditional tenders and may result in shares tendered pursuant to a conditional tender being deemed withdrawn if the minimum number of shares would not be purchased. If, because of proration, the minimum number of shares that you designate will not be purchased, we may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares and check the box so indicating. Upon selection by lot, if any, we will limit our purchase in each case to the designated minimum number of shares.

All tendered shares will be deemed unconditionally tendered unless the "Conditional Tender" box is completed.

The conditional tender alternative is made available so that a stockholder may seek to structure our purchase of shares in our Offer from the stockholder in a manner that the sale will be treated as a sale of those shares by the stockholder, rather than the payment of a dividend to the stockholder, for federal income tax purposes. It is the tendering stockholder's responsibility to calculate the minimum number of shares that must be purchased from the stockholder in order for the stockholder to qualify for sale rather than dividend treatment.

14. *Equity Compensation Plans.* If you hold vested but unexercised options, you must exercise such options in accordance with the terms of the applicable stock option or compensation plans and tender the shares received upon such exercise in accordance with the Offer. You must exercise your vested options at least five business days prior to the expiration date of the Offer (which, unless the Offer is extended, will require you to exercise such options no later than 5:00 p.m., New York time, on September 5, 2008) in order to provide you with sufficient time to properly tender the shares in the Offer. In no event are any stock options to be delivered to the depositary in connection with a tender of shares hereunder. An exercise of a stock option cannot be revoked even if all or a portion of the shares received upon the exercise or conversion and tendered in the Offer are not purchased in the Offer for any reason.

***The Information Agent for the Offer is:***



105 Madison Avenue  
New York, New York 10016  
(212) 929-5500 (Collect)

or

**(800) 322-2855 (Toll-Free)**

Email: [Extreme@mackenziepartners.com](mailto:Extreme@mackenziepartners.com)

***The Dealer Manager for the Offer is:***



Goldman, Sachs & Co.  
85 Broad Street  
New York, New York 10004  
(212) 902-1000 (Collect)  
(800) 323-5678 (Toll-Free)

**EXTREME NETWORKS, INC.**  
**NOTICE OF GUARANTEED DELIVERY**  
**FOR**  
**TENDER OF SHARES OF COMMON STOCK**  
**(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)**

This notice of guaranteed delivery, or one substantially in the form hereof, must be used to accept the Offer by Extreme Networks, Inc. if:

- certificates evidencing shares of Extreme Networks, Inc. common stock, \$0.001 par value per share, including the associated preferred stock purchase rights, are not immediately available or cannot be delivered to the depository before the expiration date (as defined in the Offer to Purchase);
- the procedure for book-entry transfer described in the Offer to Purchase, dated August 11, 2008, and the related Letter of Transmittal cannot be completed on a timely basis; or
- time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal), an agent's message in the case of a book-entry transfer (as defined in the Offer to Purchase) and any other required documents, to reach the depository prior to the expiration date.

This notice of guaranteed delivery, properly completed and duly executed, may be delivered by hand, mail, overnight courier or facsimile transmission to the depository. See Section 3 of the Offer to Purchase.

***The Depository for the Offer is:***



**Mellon**

**Mellon Investor Services**

*A Mellon Financial Company*

***By Mail***

Mellon Investor Services LLC  
Attn: Corporate Actions Depart., 27th Floor  
P.O. Box 3301  
South Hackensack, NJ 07606-3301

***By Overnight Courier, Hand or Registered Mail***

Mellon Investor Services LLC  
Attn: Corporate Actions  
480 Washington Blvd., 27th Floor  
Jersey City, NJ 07310

For this notice to be properly delivered, it must be received by the depository at the above address before the Offer expires. Delivery of this notice to another address will NOT constitute proper delivery. Deliveries to Extreme Networks, Inc., the dealer manager, the information agent or the book-entry transfer facility will not be forwarded to the depository and will NOT constitute proper delivery.

This notice of guaranteed delivery is not to be used to guarantee signatures. If a signature on the Letter of Transmittal is required to be guaranteed by an eligible guarantor institution (as defined in the Offer to Purchase) under the instructions to the Letter of Transmittal, the signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

**NOTICE OF GUARANTEED DELIVERY**

By signing this notice of guaranteed delivery, you tender to Extreme Networks, Inc. at the price per share indicated in this notice of guaranteed delivery, upon the terms and subject to the conditions described in the Offer to Purchase and the related Letter of Transmittal, receipt of which you hereby acknowledge, the number of shares specified below pursuant to the guaranteed delivery procedure described in Section 3 of the Offer to Purchase.

Number of shares to be tendered: \_\_\_\_\_ shares.

**PRICE AT WHICH YOU ARE TENDERING**  
*(SEE INSTRUCTION 5 TO THE LETTER OF TRANSMITTAL)*

YOU MUST CHECK ONE BOX AND ONLY ONE BOX IF YOU WANT TO TENDER YOUR SHARES. IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED, YOUR SHARES WILL NOT BE PROPERLY TENDERED.

**SHARES TENDERED AT A PRICE DETERMINED BY YOU:**

By checking one of the following boxes below INSTEAD OF THE BOX UNDER "SHARES TENDERED AT A PRICE DETERMINED PURSUANT TO OUR OFFER," you are tendering shares at the price checked. This action would result in none of your shares being purchased if the purchase price selected by Extreme Networks, Inc. for the shares is less than the price checked below. If you want to tender portions of your shares at more than one price, you must complete a separate Letter of Transmittal for each price at which you tender shares. The same shares cannot be tendered at more than one price.

**PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED**

- |                                 |                                 |                                 |
|---------------------------------|---------------------------------|---------------------------------|
| <input type="checkbox"/> \$3.30 | <input type="checkbox"/> \$3.50 | <input type="checkbox"/> \$3.70 |
| <input type="checkbox"/> \$3.35 | <input type="checkbox"/> \$3.55 |                                 |
| <input type="checkbox"/> \$3.40 | <input type="checkbox"/> \$3.60 |                                 |
| <input type="checkbox"/> \$3.45 | <input type="checkbox"/> \$3.65 |                                 |

OR

**SHARES TENDERED AT A PRICE DETERMINED PURSUANT TO OUR OFFER:**

- By checking THIS ONE BOX INSTEAD OF ONE OF THE PRICE BOXES ABOVE, you are tendering shares and are willing to accept the purchase price selected by Extreme Networks, Inc. in accordance with the terms of our Offer. This action will maximize the chance of having Extreme Networks, Inc. purchase your shares (subject to the possibility of proration). Note that this could result in your receiving a price per share as low as \$3.30.

**CONDITIONAL TENDER**  
*(SEE INSTRUCTION 13 TO THE LETTER OF TRANSMITTAL)*

You may condition your tender of shares on our purchasing a specified minimum number of your tendered shares, all as described in Section 6 of the Offer to Purchase. Unless the minimum number of shares you indicate below is purchased by us in the Offer, none of the shares you tender will be purchased. It is your responsibility to calculate that minimum number of shares that must be purchased if any are purchased, and you are urged to consult your own tax advisor before completing this section. Unless this box has been checked and a minimum number of shares specified, your tender will be deemed unconditional.

The minimum number of shares that must be purchased, if any are purchased, is: \_\_\_\_\_ shares.

If because of proration, the minimum number of shares that you designated above will not be purchased, we may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares and checked this box:

The tendered shares represent all shares held by me.

Signature(s): \_\_\_\_\_

Name(s) of Record Holder(s): \_\_\_\_\_

**(PLEASE TYPE OR PRINT)**

Certificate Nos.: \_\_\_\_\_

Address: \_\_\_\_\_

**(ZIP CODE)**

Daytime Area Code and Telephone No.: \_\_\_\_\_

Date: \_\_\_\_\_

If shares will be delivered by book-entry transfer, provide the following information:

Account Number: \_\_\_\_\_

**GUARANTEE OF DELIVERY**  
**(Not to be Used for a Signature Guarantee)**

The undersigned, a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity that is also an "eligible guarantor institution," as that term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934 (each of the foregoing constituting an "eligible institution"), guarantees the delivery to the depositary of the shares tendered, in proper form for transfer, or a confirmation that the shares tendered have been delivered pursuant to the procedure for book-entry transfer described in the Offer to Purchase into the depositary's account at the book-entry transfer facility, in each case together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal), or an agent's message in the case of a book-entry transfer, and any other required documents, all within three (3) NASDAQ Global Market trading days after the date of receipt by the depositary of this notice of guaranteed delivery.

The eligible institution that completes this form must communicate the guarantee to the depositary and must deliver the Letter of Transmittal and certificates representing shares to the depositary within the time period set forth in the Offer to Purchase. Failure to do so could result in a financial loss to the eligible institution.

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

**Zip Code**

Area Code and Telephone Number: \_\_\_\_\_

Authorized Signature

Name: \_\_\_\_\_

**Please Type or Print**

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2008

**Note: Do not send share certificates with this form. Certificates for shares should be sent with the Letter of Transmittal.**



**EXTREME NETWORKS, INC.**  
**OFFER TO PURCHASE FOR CASH BY**  
**EXTREME NETWORKS, INC.**  
**\$100 MILLION WORTH OF SHARES OF ITS COMMON STOCK,**  
**UP TO A MAXIMUM OF 30,303,030 SHARES**  
**(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS),**  
**AT A PURCHASE PRICE NOT GREATER THAN \$3.70**  
**NOR LESS THAN \$3.30 PER SHARE**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,**  
**NEW YORK TIME ON SEPTEMBER 12, 2008, UNLESS THE OFFER IS EXTENDED.**  
**EXTREME NETWORKS, INC. MAY EXTEND THE OFFER PERIOD AT ANY TIME.**

August 11, 2008

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

Extreme Networks, Inc., a Delaware corporation ("**Extreme**"), is offering to purchase for cash \$100 million worth of its common stock, par value \$0.001 per share, including the associated preferred stock purchase rights, at a price not greater than \$3.70 nor less than \$3.30 per share, net to the seller in cash, without interest (the "**Offer**"), as specified by stockholders tendering their shares, or such lesser amount of shares as are properly tendered.

Given the prices specified by tendering stockholders and the number of shares tendered and not properly withdrawn, Extreme will select the lowest purchase price specified by tendering stockholders that will enable Extreme to purchase \$100 million worth of shares or, if shares with an aggregate value of less than \$100 million are tendered at or below the maximum price of \$3.70 per share, all shares that are properly tendered and not properly withdrawn. All shares acquired in the Offer will be purchased at the same price.

Extreme's Offer is being made upon the terms and subject to the conditions set forth in its Offer to Purchase, dated August 11, 2008, and in the related Letter of Transmittal which, together with the Offer to Purchase, as they may be amended and supplemented from time to time, constitute the Offer.

Only shares properly tendered at prices equal to or below the purchase price and not properly withdrawn will be purchased. However, because of the proration provisions described in the Offer to Purchase, all of the shares tendered at or below the purchase price may not be purchased if more than \$100 million worth of shares are properly tendered. All shares tendered and not purchased, including shares tendered at prices above the purchase price and shares not purchased because of proration or the conditional tender procedures, will be returned at Extreme's expense as soon as practicable following the expiration date.

Extreme reserves the right, in its sole discretion, to purchase more than \$100 million worth of shares pursuant to the Offer, subject to applicable law.

The Offer is not conditioned on any minimum number of shares being tendered. The Offer is, however, subject to other conditions described in the Offer to Purchase.

If the number of shares tendered at or below the selected price is worth in excess of \$100 million, as measured at such selected price, Extreme will purchase shares at the selected price on a pro rata basis (subject to the "odd lot" priority as described in *Section 1* of the Offer to Purchase and the considerations for conditional tenders as described in *Section 6* of the Offer to Purchase) from all stockholders who properly tendered shares at or below the selected price, with appropriate adjustments to avoid purchases of fractional shares.

For your information and for forwarding to your clients for whom you hold shares registered in your name or in the name of your nominee, we are enclosing the following documents:

- Offer to Purchase, dated August 11, 2008;

- Letter that you may send to your clients for whose accounts you hold shares registered in your name or in the name of your nominee, with space provided for obtaining those clients' instructions with regard to the Offer;
- Letter of Transmittal for your use and for the information of your clients (together with accompanying instructions and Substitute Form W-9);
- Notice of guaranteed delivery to be used to accept the Offer if the share certificates and all other required documents cannot be delivered to the depository before the expiration date or if the procedure for book-entry transfer cannot be completed before the expiration date; and
- Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.

Your prompt action is requested. We urge you to contact your clients as promptly as possible. The Offer and withdrawal rights will expire at 5:00 p.m., New York time, on September 12, 2008, unless the Offer is extended.

No fees or commissions will be payable to brokers, dealers, commercial banks, trust companies or any person for soliciting tenders of shares under the Offer (other than fees paid to the dealer manager and the information agent as described in the Offer to Purchase). Extreme will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to the beneficial owners of shares held by you as a nominee or in a fiduciary capacity. Extreme will pay or cause to be paid any stock transfer taxes applicable to its purchase of shares, except as otherwise provided in the Offer to Purchase and Letter of Transmittal.

In order to properly tender shares under the Offer, a stockholder must do EITHER (1) OR (2) below:

(1) Provide that the depository receives the following before the Offer expires:

- either (a) certificates for the shares or (b) a confirmation of receipt for the shares pursuant to the procedure for book-entry transfer described in Section 3 of the Offer to Purchase;
- either (a) a properly completed and executed Letter of Transmittal or a manually executed facsimile of it, including any required signature guarantees or (b) an "agent's message" of the type described in Section 3 of the Offer to Purchase in the case of a book-entry transfer; and
- any other documents required by the Letter of Transmittal.

(2) Comply with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Any inquiries you may have with respect to the Offer should be addressed to the information agent, MacKenzie Partners, Inc., at its address and telephone number set forth on the back page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from MacKenzie Partners, Inc., by calling it at (800) 322-2885.

Very truly yours,

EXTREME NETWORKS, INC.

Enclosures

**Nothing contained herein or in the enclosed documents shall constitute you or any other person the agent of Extreme Networks, Inc., the dealer manager, the information agent or the depository or any affiliate of the foregoing, or authorize you or any other person to use any document or make any statement on behalf of any of them in connection with the Offer other than the documents enclosed herewith and the statements contained therein.**

EXTREME NETWORKS, INC.  
OFFER TO PURCHASE FOR CASH BY  
EXTREME NETWORKS, INC.  
\$100 MILLION WORTH OF SHARES OF ITS COMMON STOCK,  
UP TO A MAXIMUM OF 30,303,030 SHARES  
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS),  
AT A PURCHASE PRICE NOT GREATER THAN \$3.70  
NOR LESS THAN \$3.30 PER SHARE

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,  
NEW YORK TIME ON SEPTEMBER 12, 2008, UNLESS THE OFFER IS EXTENDED.  
EXTREME NETWORKS, INC. MAY EXTEND THE OFFER PERIOD AT ANY TIME.**

August 11, 2008

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated August 11, 2008, and the related Letter of Transmittal in connection with the offer by Extreme Networks, Inc., a Delaware corporation ("**Extreme**"), to purchase for cash \$100 million worth of its common stock, par value \$0.001 per share, including the associated preferred stock purchase rights, at a price not greater than \$3.70 nor less than \$3.30 per share, net to the seller in cash, without interest (the "**Offer**"), as specified by stockholders tendering their shares, or such lesser amount of shares as are properly tendered.

Given the prices specified by tendering stockholders and the number of shares tendered and not properly withdrawn, Extreme will select the lowest purchase price specified by tendering stockholders that will enable Extreme to purchase \$100 million worth of shares or, if shares with an aggregate value of less than \$100 million are tendered at or below the maximum price of \$3.70 per share, all shares that are properly tendered and not properly withdrawn. All shares acquired in the Offer will be purchased at the same price.

Extreme's Offer is being made upon the terms and subject to the conditions set forth in its Offer to Purchase, dated August 11, 2008, and in the related Letter of Transmittal which, together with the Offer to Purchase, as they may be amended and supplemented from time to time, constitute the Offer.

Only shares properly tendered at prices equal to or below the purchase price and not properly withdrawn will be purchased. However, because of the proration provisions described in the Offer to Purchase, all of the shares tendered at or below the purchase price may not be purchased if more than \$100 million worth of shares are properly tendered. All shares tendered and not purchased, including shares tendered at prices above the purchase price and shares not purchased because of proration or the conditional tender procedures, will be returned at Extreme's expense as soon as practicable following the expiration date.

Extreme reserves the right, in its sole discretion, to purchase more than \$100 million worth of shares pursuant to the Offer, subject to applicable law.

If the number of shares tendered at or below the selected price is worth in excess of \$100 million, as measured at such selected price, Extreme will purchase shares at the selected price on a pro rata basis (subject to the "odd lot" priority as described in *Section 1* of the Offer to Purchase and the considerations for conditional tenders as described in *Section 6* of the Offer to Purchase) from all stockholders who properly tendered shares at or below the selected price, with appropriate adjustments to avoid purchases of fractional shares.

**A tender of your shares can be made only by us as the holder of record and pursuant to your instructions. The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender your shares held by us for your account.**

Accordingly, please use the attached "Instruction Form" to instruct us as to whether you wish us to tender any or all of the shares we hold for your account on the terms and subject to the conditions of the Offer.

**WE CALL YOUR ATTENTION TO THE FOLLOWING:**

1. You may tender shares at prices not in excess of \$3.70 nor less than \$3.30 per share as indicated in the attached Instruction Form, net to you in cash, without interest.
2. You should consult with your broker regarding the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to various other conditions described in the Offer to Purchase.
4. The Offer and withdrawal rights will expire at 5:00 p.m., New York time, on September 12, 2008, unless Extreme extends the Offer.
5. The Offer is for up to \$100 million worth of shares, unless the Offer is undersubscribed. At the minimum price of \$3.30 per share in the Offer, Extreme will purchase a maximum of 30,303,030 shares, or approximately 26% of its outstanding common stock as of August 7, 2008. At the maximum price of \$3.70 per share in the Offer, Extreme will purchase a maximum of 27,027,027 shares, or approximately 23% of its outstanding common stock as of August 7, 2008. Based on the foregoing, if the Offer is fully subscribed, Extreme will have between 86,143,513 and 89,419,516 shares outstanding following the purchase of shares tendered in the Offer.
6. Tendering stockholders who are registered stockholders or who tender their shares directly to Mellon Investor Services LLC, as the depository, will not be obligated to pay any brokerage commissions or fees, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on Extreme's purchase of shares under the Offer.
7. If you wish to tender portions of your shares at different prices, you must complete a separate Instruction Form for each price at which you wish to tender each portion of your shares. We must submit separate letters of transmittal on your behalf for each price you will accept.
8. The board of directors of Extreme has approved the Offer. However, none of Extreme, its board of directors, executive officers, the dealer manager, the depository or the information agent makes any recommendation to stockholders as to whether they should tender or refrain from tendering their shares or as to the price or prices at which stockholders may choose to tender their shares. Stockholders must make their own decision as to whether to tender their shares and, if so, how many shares to tender and the price or prices at which such shares should be tendered. Each of Extreme's directors and executive officers has advised it that they do not intend to tender any shares owned by them in the Offer.
9. If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. If you authorize us to tender your shares, we will tender all such shares unless you specify otherwise on the attached Instruction Form.

Please forward your Instruction Form to us as soon as possible to allow us ample time to tender your shares on your behalf prior to the expiration of the Offer.

The Offer is being made solely under the Offer to Purchase and the related Letter of Transmittal and is being made to all record holders of shares. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of that jurisdiction.

**INSTRUCTION FORM**  
**INSTRUCTIONS FOR TENDER OF SHARES OF EXTREME NETWORKS, INC.**

By signing this Instruction Form you acknowledge receipt of our letter and the enclosed Offer to Purchase, dated August 11, 2008, and the related Letter of Transmittal in connection with the Offer by Extreme Networks, Inc., a Delaware corporation ("**Extreme**"), to purchase shares of its common stock, \$0.001 par value per share, including the associated preferred stock purchase rights. Extreme is offering to purchase \$100 million worth of shares at a price not greater than \$3.70 nor less than \$3.30 per share, to the seller in cash, without interest (the "**Offer**"), as specified by stockholders tendering their shares, or such lesser amount of shares as are properly tendered. Extreme's Offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal, which, as they may be amended or supplemented from time to time, together constitute the Offer.

This will instruct us to tender to Extreme, on your behalf, the number of shares indicated below (or if no number is indicated below, all shares) which are beneficially owned by you but registered in our name, upon the terms and subject to the conditions of the Offer.

Number of shares to be tendered: \_\_\_\_\_ shares. (Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.)

**PRICE AT WHICH YOU ARE TENDERING**  
*(See Instruction 5 to the Letter of Transmittal)*

**You must check one box and only one box if you want to tender your shares. If more than one box is checked or if no box is checked, your shares will not be properly tendered.**

**SHARES TENDERED AT A PRICE DETERMINED BY YOU:**

By checking one of the following boxes below INSTEAD OF THE BOX UNDER "SHARES TENDERED AT A PRICE DETERMINED PURSUANT TO OUR OFFER," you are tendering shares at the price checked. This action would result in none of your shares being purchased if the purchase price selected by Extreme for the shares is less than the price checked below. If you want to tender portions of your shares at more than one price, you must complete a separate Instruction Form for each price at which you tender shares. The same shares cannot be tendered at more than one price.

**PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED**

- |                                 |                                 |                                 |
|---------------------------------|---------------------------------|---------------------------------|
| <input type="checkbox"/> \$3.30 | <input type="checkbox"/> \$3.50 | <input type="checkbox"/> \$3.70 |
| <input type="checkbox"/> \$3.35 | <input type="checkbox"/> \$3.55 |                                 |
| <input type="checkbox"/> \$3.40 | <input type="checkbox"/> \$3.60 |                                 |
| <input type="checkbox"/> \$3.45 | <input type="checkbox"/> \$3.65 |                                 |

OR

**SHARES TENDERED AT A PRICE DETERMINED PURSUANT TO OUR OFFER:**

By checking THIS ONE BOX INSTEAD OF ONE OF THE PRICE BOXES ABOVE, you are tendering shares and are willing to accept the purchase price selected by Extreme in accordance with the terms of its Offer. This action will maximize the chance of having Extreme purchase your shares (subject to the possibility of proration). Note that this could result in your receiving a price per share as low as \$3.30.

**CONDITIONAL TENDER**

*(See Instruction 13 to the Letter of Transmittal)*

You may condition your tender of shares on Extreme purchasing a specified minimum number of your tendered shares, all as described in Section 6 of the Offer to Purchase. Unless the minimum number of shares you indicate below is purchased by Extreme in its Offer, none of the shares you tender will be purchased. It is your responsibility to calculate that minimum number of shares that must be purchased if any are purchased, and you are urged to consult your own tax advisor before completing this section. Unless this box has been checked and a minimum number of shares specified, your tender will be deemed unconditional.

The minimum number of shares that must be purchased, if any are purchased, is: \_\_\_\_\_ shares.

If, because of proration, the minimum number of shares that you designated above will not be purchased, Extreme may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares and checked this box:

The tendered shares represent all shares held by me.

**The method of delivery of this document is at the option and risk of the tendering stockholder. If you decide to make delivery by mail, we recommend you use registered mail with return receipt requested, properly insured. In all cases, sufficient time should be allowed to assure delivery.**

**SIGN HERE:**

Signature(s): \_\_\_\_\_

Print Name(s): \_\_\_\_\_

Address(es): \_\_\_\_\_

Area Code and Telephone Number: \_\_\_\_\_

Taxpayer Identification or Social Security Number: \_\_\_\_\_

Date: \_\_\_\_\_

My Account Number With You: \_\_\_\_\_

FOR IMMEDIATE RELEASE

For more information, contact:

Extreme Networks, Inc.  
Investor Relations  
(408) 579-3030  
[investor\\_relations@extremenetworks.com](mailto:investor_relations@extremenetworks.com)

Public Relations  
(408) 579-3483  
[gcross@extremenetworks.com](mailto:gcross@extremenetworks.com)

**Extreme Networks Announces Tender Offer  
To Repurchase \$100 Million of Stock**

**Santa Clara, California, August 11, 2008**—Extreme Networks, Inc. (Nasdaq: EXTR) today announced its intention to commence a “modified Dutch auction” tender offer to purchase \$100 million worth of its common stock at a price per share not less than \$3.30 and not greater than \$3.70. Extreme Networks® intends to commence the stock tender offer today, August 11, 2008, and expects the stock tender offer to expire at 5:00 p.m. New York time on September 12, 2008, unless extended. The maximum number of shares proposed to be purchased in the stock tender offer represents approximately 26% percent of Extreme Networks’ currently outstanding common stock. Extreme Networks will fund the offer from available cash on hand.

Goldman, Sachs & Co. will serve as dealer manager for the stock tender offer. MacKenzie Partners, Inc. will serve as information agent and Mellon Investor Services LLC will serve as the depository.

Gordon Stitt, Chairman of the Board of Directors, commented: “The Board believes that this offer is an opportunity to increase the long-term value of our stock for our stockholders, while at the same time providing stockholders who wish to tender some or all of their shares a way to do so efficiently.”

A “modified Dutch auction” allows stockholders to indicate how many shares and at what price within Extreme Networks’ specified range they wish to tender. Based on the number of shares tendered and the price specified by the tendering stockholders, Extreme Networks will determine the lowest price per share within the range that will enable it to purchase \$100 million worth of its shares, or such lesser dollar value of shares as are properly tendered. At the minimum price of \$3.30 per share, Extreme Networks would purchase a maximum of 30,303,030 shares, while at the maximum price of \$3.70 per share, Extreme Networks would purchase a maximum of 27,027,027 shares. Extreme Networks will not purchase shares below a price stipulated by a stockholder, and in some cases, may actually purchase shares at prices above a stockholder’s indication under the terms of the “modified Dutch auction.” The stock tender offer is not contingent upon a minimum number of shares being tendered but is conditioned on a number of events as described in the offer to purchase. Specific instructions and a complete explanation of the terms and conditions of the stock tender offer are contained in the Offer to Purchase and related materials that will be mailed to stockholders of record as of August 7, 2008 beginning on August 11, 2008.

Neither of Extreme Networks’ management, nor any of its board of directors, executive officers, the dealer manager, the information agent or the depository is making any recommendation to stockholders as to whether to tender or refrain from tendering their shares in the stock tender offer. Stockholders must decide how many shares they will tender, if any, and the price within the stated range at which they will tender their shares. Stockholders should consult their financial and tax advisors in making this decision.

This press release is for informational purposes only, and is not an offer to purchase or the solicitation of an offer to sell any shares of Extreme Networks common stock. The solicitation of offers to purchase shares of Extreme Networks common stock will be made only pursuant to the tender offer documents, including the Offer to Purchase and the related Letter of Transmittal that Extreme Networks intends to distribute to holders of its common stock and file with the Securities and Exchange Commission (“SEC”) today.

HOLDERS OF COMMON STOCK ARE URGED TO READ THE TENDER OFFER STATEMENT (INCLUDING THE OFFER TO PURCHASE, LETTER OF TRANSMITTAL AND RELATED TENDER OFFER DOCUMENTS) WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ON THE STOCK TENDER OFFER.

Holders of common stock will be able to obtain these documents as they become available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov), or at the SEC's public reference room located at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. In addition, holders of common stock may also request copies of the Tender Offer Statement, the Offer to Purchase, related Letter of Transmittal and other filed tender offer documents free of charge by contacting MacKenzie Partners, Inc., the Information Agent, by telephone at (800) 322-2885 (toll-free), or in writing to MacKenzie Partners, Inc., 105 Madison Avenue, New York, NY 10016.

#### **Extreme Networks, Inc.**

Extreme Networks designs, builds, and installs Ethernet infrastructure solutions that help solve the toughest business communications challenges. The company's commitment to open networking sets us apart from the alternatives by delivering meaningful insight and unprecedented control to applications and services. Extreme Networks believes that openness is the best foundation for growth, freedom, flexibility and choice. The company is focused on enterprises and service providers who demand high performance, converged networks that support voice, video and data over a wired and wireless infrastructure.

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

#### **Forward-Looking Statements**

This press release contains forward-looking statements, including, among others, statements regarding Extreme Networks' proposed stock tender offer, including the anticipated commencement date of the offer, the expected number of shares Extreme Networks expects to repurchase in the offer, the price range within which it will repurchase such shares and the expected expiration date of the offer. Actual results may differ materially from those expressed in the forward-looking statements due to a number of factors, including delays in effecting the tender, a significant decline in the price of Extreme Networks' common stock, unanticipated cash requirements and prolonged adverse conditions in the U.S. economy and Extreme Networks' industry. More information about potential factors that could affect Extreme Networks is included in our filings with the SEC, including without limitation, under the captions: "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk Factors."

**### END ###**



This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of Extreme Networks, Inc. common stock. The Offer (as defined below) is made solely by the Offer to Purchase dated August 11, 2008 and the related Letter of Transmittal, as they may be amended or supplemented from time to time. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares of Extreme Networks, Inc. common stock in any jurisdiction in which the making or acceptance of offers to sell shares would not be in compliance with the laws of that jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Extreme Networks, Inc. by Goldman, Sachs & Co., the Dealer Manager for the Offer, or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

NOTICE OF OFFER TO PURCHASE FOR CASH

by

**EXTREME NETWORKS, INC.**

of

**\$100 MILLION WORTH OF ITS COMMON STOCK, UP TO A MAXIMUM  
OF 30,303,030 SHARES (INCLUDING THE ASSOCIATED PREFERRED STOCK  
PURCHASE RIGHTS), AT A PER SHARE PURCHASE PRICE NOT LESS THAN  
\$3.30 PER SHARE NOR GREATER THAN \$3.70 PER SHARE**

Extreme Networks, Inc., a Delaware corporation ("*Extreme*"), is offering to purchase \$100 million worth of its outstanding common stock, \$0.001 par value per share, including the associated preferred stock purchase rights (the "*Offer*"), or such lesser amount of shares as are properly tendered, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated August 11, 2008 (the "*Offer to Purchase*"), and in the related Letter of Transmittal, as they may be amended or supplemented from time to time.

**The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to certain other important conditions set forth in the Offer to Purchase.**

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK TIME, ON SEPTEMBER 12, 2008, UNLESS EXTREME EXTENDS THE OFFER.**

The board of directors of Extreme has approved the Offer. However, neither Extreme, nor any of its board of directors, executive officers, the information agent, depository or the dealer manager is making any recommendation to you as to whether you should tender or refrain from tendering your shares or as to what price or prices you should choose to tender your shares. Extreme is not making a recommendation as to whether you should tender shares into the Offer because it believes that you should make your own decision based on your views as to the value of Extreme's shares, its prospects and anticipated capitalization following the Offer, as well as your liquidity needs, investment objectives and other individual considerations. Each of Extreme's directors and executive officers has advised it that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming Extreme purchases 30,303,030 shares in the Offer, which represents the maximum amount of shares that we would purchase based on the minimum price per share of \$3.30 in the Offer, the beneficial ownership of Extreme's directors and executive officers will increase to approximately 7.6%. In addition, Extreme's directors and executive officers may, in compliance with stock ownership guidelines and applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to Extreme's stockholders in the Offer. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. You should discuss whether to tender your shares with your broker or other financial or tax advisor.

As of August 7, 2008, there were 116,446,543 shares of Extreme common stock issued and outstanding. At the minimum price of \$3.30 per share in the Offer, Extreme will purchase a maximum of 30,303,030 shares, or approximately 26% of its outstanding common stock as of August 7, 2008. At the maximum price of \$3.70 per share in the Offer, Extreme will purchase a maximum of 27,027,027 shares, or approximately 23% of its outstanding common stock as of August 7, 2008. Based on the foregoing, if the Offer is fully subscribed, Extreme will have between 86,143,513 and 89,419,516 shares outstanding following the purchase of shares properly tendered in the Offer. The actual number of shares outstanding following completion of the Offer will depend, among other things, on the number of shares properly tendered and purchased in the Offer.

If the terms and conditions of the Offer have been satisfied or waived and stockholders have properly tendered and not properly withdrawn shares worth in excess of \$100 million in the aggregate, measured at the maximum price at which such shares were properly tendered, subject to the conditional tender procedures, Extreme will purchase shares in the following order of priority:

- *first*, all such shares owned beneficially or of record by a holder of fewer than 100 shares of common stock who properly tenders all of such shares (partial tenders will not qualify for this preference) and completes, or whose broker, bank or other nominee completes, the section captioned "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery;
- *second*, after purchase of all of the foregoing shares, all other shares (other than conditionally tendered shares for which the condition was not satisfied) tendered at or below the purchase price on a pro rata basis, if necessary (with appropriate rounding adjustments to avoid purchases of fractional shares); and
- *third*, if necessary to permit Extreme to purchase \$100 million worth of shares, shares conditionally tendered at or below the purchase price for which the condition was not initially satisfied, to the extent feasible, by random lot (to be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares).

All shares tendered and not purchased, including shares tendered at prices above the purchase price Extreme selects and shares not purchased because of the odd lot priority, proration or the conditional tender procedures, will be returned to stockholders at Extreme's expense promptly following the expiration date.

Extreme expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 of the Offer to Purchase occur or are deemed by Extreme to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the depositary and making a public announcement of such extension.

Shares tendered in the Offer may be withdrawn at any time before the expiration date and, unless Extreme has already accepted your shares for payment after the Offer expires, may also be withdrawn any time after 12:01 a.m., New York time, on October 7, 2008. Except as otherwise provided in Section 4 of the Offer to Purchase, tenders of shares pursuant to the Offer are irrevocable. For a withdrawal to be effective, the depositary must receive (at its address set forth on the back cover of the Offer to Purchase) a notice of withdrawal in written or facsimile transmission form on a timely basis. The notice of withdrawal must specify the name of the person who tendered the shares to be withdrawn, the number of shares tendered, the number of shares to be withdrawn and the name of the registered holder. If the certificates have been delivered or otherwise identified to the depositary, then, prior to the release of those certificates, the tendering stockholder must also submit the serial numbers shown on the particular certificates evidencing the shares and the signature on the notice of withdrawal must be guaranteed by an eligible guarantor institution (except in the case of shares tendered by an eligible guarantor institution). If shares have been tendered pursuant to the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase the notice of withdrawal must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and otherwise comply with the procedures of the facility.

For purposes of the Offer, Extreme will be deemed to have accepted for payment, and therefore purchased, shares that are properly tendered at or below the purchase price and not properly withdrawn, subject to the odd lot priority, proration and conditional tender provisions of the Offer, only when Extreme gives oral or written notice to the depository of Extreme's acceptance of shares for payment under the Offer.

Stockholders desiring to tender their shares must follow the procedures set forth in Section 3 of the Offer to Purchase and in the Letter of Transmittal.

Extreme will pay for the shares purchased under the Offer by depositing the aggregate purchase price for the shares with the depository, which will act as agent for tendering stockholders for the purpose of receiving payment from Extreme and transmitting payment to the tendering stockholders. In the event of proration, Extreme will determine the proration factor and pay for those tendered shares accepted for payment promptly after the expiration date. However, Extreme does not expect to be able to announce the final results of any such proration immediately following expiration of the Offer. In such case, it could be seven to ten business days after the expiration date before Extreme is able to commence payment for the tendered shares.

Extreme will determine, in its sole discretion, all questions as to the number of shares to be accepted, the price to be paid and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of shares. Extreme's determination will be final and binding on all parties. Extreme reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of or payment for which it determines may be unlawful. Extreme also reserve the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular shares or any particular stockholder. No tender of shares will be deemed to be properly made until all defects or irregularities have been cured by the tendering stockholder or waived by Extreme.

Generally, the receipt of cash for tendered shares will be treated for United States federal income tax purposes either as (a) proceeds of a sale or exchange eligible for capital gains treatment or (b) a dividend to the extent of Extreme's available current year or accumulated earnings and profits, and thereafter first as a non-taxable return of capital (to the extent of the tax basis in such shares of Extreme stock) and then as capital gain. In the case of foreign stockholders, because it is unclear which characterization applies, Extreme intends to withhold 30% of the gross proceeds paid. You are strongly encouraged to read the Offer to Purchase, in particular, Sections 3 and 14, for additional information regarding the United States federal income tax consequences of participating in the Offer, and you should consult your tax advisor.

The information required to be disclosed by Rule 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

**The Offer to Purchase and the Letter of Transmittal contain important information that should be read before any decision is made with respect to the Offer.**

Copies of the Offer to Purchase and the Letter of Transmittal are being mailed to record holders of shares as of August 7, 2008 and will be furnished to brokers, dealers, commercial banks, trust companies and other nominee stockholders and similar persons whose names, or the names of whose nominees, appear on the stockholder list of Extreme or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares. Additional copies of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the information agent at the expense of Extreme at the address and telephone number set forth below. Any questions or requests for assistance may be directed to the information agent or the dealer manager at their respective telephone numbers and addresses set forth below. Stockholders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

**The Information Agent for the Offer is:**



MacKenzie Partners, Inc.  
105 Madison Ave  
New York, New York 100016

(212) 929-5500 (Collect)  
(800) 322-2885 (Toll-Free)

**The Dealer Manager for the Offer is:**



Goldman, Sachs & Co.  
85 Broad Street  
New York, New York 10004  
(212) 902-1000 (Collect)  
(800) 323-5678 (Toll-Free)

August 11, 2008