



NETWORKING FAQs

Q1. What was announced?

On March 7, 2017, Extreme Networks and Avaya announced they entered into an Asset Purchase Agreement (APA) under which Extreme will serve as the “primary bidder” to acquire Avaya’s Networking business for a transaction value of approximately \$100 million, subject to adjustments, in a court-supervised sale process designed to maximize the value of the business. Other interested parties will have an opportunity to submit a bid for the business. The potential auction process and final agreement will be subject to the approval of the United States Bankruptcy Court for the Southern District of New York, as well as regulatory approval and customary closing conditions.

Q2. Why is Avaya taking this action?

In May 2016, the Avaya management team and Board announced that they had engaged advisors to assist in a comprehensive assessment of options to address Avaya’s capital structure, including monetizing certain assets.

After extensive evaluation, Avaya determined that a sale of the Networking business provides a clear and positive path forward for all stakeholders. If successfully completed, a transaction would provide clarity for networking customers, partners and employees and would enable the industry to continue to benefit from Avaya’s innovative networking technology and leading-edge innovation. It also enables the Company to focus on its core, industry-leading Unified Communications and Contact Center solutions, and furthers our overall restructuring goals as we position the rest of Avaya for long-term success.

Q3. How does the bidding and sale process work?

Governed by the United States Bankruptcy Code, this bidding process and resulting transaction are different than a typical asset sale and involve a number of steps. The process is designed to achieve the highest or otherwise best offer for an asset.

After an initial offer for a company or asset currently involved in the chapter 11 process is received, other interested parties have a limited time period to submit alternative bids. If other qualified bids are submitted, an auction process will be initiated.

The potential auction process and final agreement will be subject to the approval of the United States Bankruptcy Court for the Southern District of New York. In some EMEA jurisdictions, this transaction is subject to a process of information and consultation with works councils or employee representatives prior to finalization of the terms of sale.

We expect the transaction to close by June 30, 2017, the end of Avaya’s fiscal third quarter 2017. We will update you on the status of the process as further information is available.

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About Avaya

Avaya enables the mission critical, real-time communication applications of the world's most important operations. As the global leader in delivering superior communications experiences, Avaya provides the most complete portfolio of software and services for contact center and unified communications with integrated, secure networking— offered on premises, in the cloud or a hybrid. Today's digital world requires some form of communications enablement, and no other company is better positioned to do this than Avaya. For more information visit www.avaya.com.

Q4. Who is Extreme Networks and why are they interested in purchasing Avaya Networking?

Extreme Networks is a networking company headquartered in San Jose, California that was founded in 1996 and which introduced the first gigabit and 10 gigabit Ethernet switches in the industry. They offer a broad range of networking solutions targeting the enterprise including wireless, switching, management software, cloud, analytics and security offerings. The company has over 1,650 employees worldwide and 25,000 global customers. Extreme provides software driven networking solutions for the enterprise campus.

If successfully completed, the acquisition of the Avaya Networking business will bolster Extreme's position in the fast growing enterprise networking market. The transaction would cement Extreme's position as the third ranked competitor in its target markets and create new growth opportunities with the expanded product portfolio.

Q5. What is the impact to customers, partners and/or suppliers during this process?

Today's announcement is just the first step in the process, and should have no material impact on our customers, partners or suppliers. Avaya Networking expects to continue to conduct business as usual until the auction process and subsequent transaction process are complete. We will continue to sell the entire portfolio of Avaya Networking products and solutions to existing and new customers. All existing bids, quotes and customer support agreements should not be materially impacted. There will also be a reseller agreement with Extreme to ensure business continuity for our customers after the transaction is complete.