NETSCOUT SYSTEMS INC
Form 425
February 10, 2015

Filed by NetScout Systems, Inc.

Pursuant to Rule 425 under the Securities Act of 1933, as amended

and deemed filed pursuant to Rule 14a-12

under the Securities Exchange Act of 1934, as amended

Subject Company: NetScout Systems, Inc.

(Commission File No. 000-26251)

The following is a copy of a presentation posted to the website of NetScout Systems, Inc. on February 10, 2015.

NetScout Systems, Inc.
February 2015
Investor Presentation

2
NetScout
Systems
Overview
|
February
2015
|
©

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Additional Information and Where You Can Find It

NetScout s Registration Statement on Form S-4, Proxy Statement and other documents concerning the proposed acquisition of Danaher s Communications business have been filed with the Securities and Exchange Commission (the SEC). Investors are urged to read the S-4 Registration Statement and Proxy Statement, along with other relevant documents filed with the SEC as well any amendments or supplements to those documents because they will contain important information. Security holders may obtain a free copy of the Registration Statement and Proxy Statement (when it is available) and other documents filed by NetScout with the SEC at the SEC s website at www.sec.gov. The Registration Statement and Proxy Statement, along with other documents, may also be obtained for free by contacting Andrew Kramer, Vice President of Investor Relations, by telephone at 978-614-4000, by email at ir@netscout.com, or by mail at Investor Relations, NetScout Systems, Inc., 310 Littleton Road, Westford, MA 01886.

This communication is not a solicitation of a proxy from any security holder of NetScout. However, NetScout, Danaher and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from NetScout s stockholders in connection with the proposed transaction. Information about NetScout s directors and executive officers and their beneficial ownership of NetScout s common stock may be found in its preliminary proxy statement filed with the SEC on January 9, 2015 as amended. This document can be obtained free of charge from the SEC website at

www.sec.gov.

3
NetScout
Systems
Overview
|
February
2015
|
©

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Safe Harbor & Non-GAAP Financial Metrics

Forward Looking Statements:

Forward-looking statements in this communication are made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934 and other federal securities laws. Investors are cautioned that statements in this presentation, which are not strictly historical statements, including without limitation, the statements related to the timing associated with completing the merger with Danaher s

communication business and the financial guidance for NetScout s fourth fiscal quarter and other financial guidance, constitute forward-looking statements which involve risks and uncertainties. Actual results could differ materially from the forward-looking statements due to known and unknown risk, uncertainties, assumptions and other factors. Such factors include slowdowns or downturns in economic conditions generally and in the market for advanced network and service assuran Company s relationships with strategic partners, dependence upon broad-based acceptance of the Company s network perfor presence of competitors with greater financial resources than ours and their strategic response to our products, our ability to ret failure to obtain, delays in obtaining or adverse conditions related to obtaining shareholder or regulatory approvals; the anticip related transactions; risks relating to any unforeseen changes to or the effects on liabilities, future capital expenditures, revenue financial condition, losses and future prospects; failure to consummate or delay in consummating the transaction for other reas

successfully integrate the merged assets and the associated technology and achieve operational efficiencies. For a more detailed description of the risk factors associated with the Company, please refer to the Company s Registration Statement on Form S-4, Annual Report on Form 10- 2014 and Quarterly Reports on Form 10-Q for the quarters ended June 30, 2014, September 30, 2014 and December 31, 2014, Securities and Exchange Commission. NetScout assumes no obligation to update any forward-looking information contained i the announcements described herein.

Regulation G Disclosure:

This presentation makes reference to certain non-GAAP measures such as non-GAAP revenue and non-GAAP earnings per sh These non-GAAP measures are not in accordance with GAAP, should not be considered an alternative for measures prepared i net income and diluted net income per share), and may have limitations in that they do not reflect all of NetScout s results of o with GAAP. These non-GAAP measures should only be used to evaluate NetScout s results of operations in conjunction with The presentation of non-GAAP information is not meant to be considered superior to, in isolation from or as a substitute for res GAAP. NetScout believes these non-GAAP financial measures will enhance the reader s overall understanding of NetScout s NetScout's prospects for the future by providing a higher degree of transparency for certain financial measures and providing a level of disclosure that helps investors understand how the Company plans and measures its own business. NetScout believes that providing these

non-GAAP measures affords investors a view of NetScout s operating results that may be more easily compared to peer companies and also enables investors to consider NetS GAAP and non-GAAP basis during and following the integration period of NetScout s acquisitions. Presenting the GAAP me indicative of NetScout s core operating results. Furthermore, NetScout believes that the presentation of non-GAAP measures corresponding GAAP measures provide useful information to management and investors regarding present and future business condition and results of operations. NetScout management regularly uses supplemental non-GAAP financial measures internal its business and to make operating decisions. These non-GAAP measures are among the primary factors that management uses in planning and forecasting. The reconciliation of these non-GAAP metrics to the comparable GAAP metrics are set forth in the

accompanying tables in the index of this presentation and are available on our website at http://ir.netscout.com.

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

NetScout Today
NASDAQ: NTCT
Market Cap: $1.5B (as of 2/6/15)
* non-GAAP

Market leader in performance management
and analytics

Expertise and scale to serve two markets:
Enterprise and Service Provider

30 years of focus and experience in IP-
based networks

International footprint with sales, support,
and services in over 30 countries

1,000+ employees worldwide

FY 14 results:
Revenue: $397M
EPS: $1.53
FCF: $95M+

5
NetScout
Systems
Overview
|
February
2015
|
©

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
NetScout Investment Highlights

Market leader
in network and application
performance management

Award-winning solutions based on proprietary
software:
ASI
enabling
real-time
intelligence
and analytics

Working with leading service provider and
enterprise
customers
to
achieve
ROI
and
manage
risk
through
operational
intelligence
gained from NetScout analytics

Financial strength
built on profitability and cash
flow arising from increasing revenue within
scalable infrastructure

Capitalizing on attractive growth opportunities
being
shaped
by
today s
IT
trends

Announced
transformational

acquisition
of
Danaher s Communications Business
Total
Revenue
(non-GAAP, $ in millions)
Earnings
Per Share
(non-GAAP)
Free
Cash
Flow
(non-GAAP, $ in
millions)

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Powerful Long-Term Technology Trends

Mobility

Cloud &
Virtualization

Cyber Security

Big Data

Requires real-time, reliable, scalable analytics and intelligence

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
Source: Ericsson Mobility Report, May 2014
Carrier Trends Driving Future Growth
Service Providers:
Monetize their investment and retain customers

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Enterprise Trends Driving Future Growth

Enterprises:

Uptime
and
user
experience
with
cost-effective
delivery

9
NetScout
Systems
Overview
|
February
2015
|
©
1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
With a loyal customer base and partnership focused
on solving today s complexities
With a loyal customer base and partnership focused
on solving today s complexities
Powered by NetScout SoftwareTechnology:
Structured Data (ASI), Analytics (nGeniusONE)

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
Revenue and EPS Performance
Strong operating leverage drives EPS growth
Non-GAAP, in millions except EPS
Non-GAAP, in millions except EPS

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
Cumulative Free Cash Flow Generation
Non-GAAP, in millions
Non-GAAP, in millions
Investing in product development while
generating strong free cash flow

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
Proven
Track
Record
for
Successful
Integration

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Increase Total Addressable Market:
Cyber Intelligence, Customer Experience and
Business Intelligence
Expand Go-to-Market Activities:
Geography coverage and product specialist
Create Platform and Scale:
Trusted partner for innovation and reliability
generating increasing returns
NTCT Strategy: Unified Platform for SP s and Enterprise
Extend leadership in Performance Analytics and Operational
Intelligence

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Increased Total Addressable Market:
Solutions for Cyber (Arbor), Customer
Experience (Newfield Wireless), Business
Intelligence, (Arantech)
Expanded Go-to-Market Activities:
Cross sell opportunities and increased
international presence
Platform and Scale Creation:
Strategically positioned for increased innovation
within Service Providers and Enterprise
Acquiring DHR Communications Business Accelerates
NetScout: at the heart of the major computing trends of the
next decade

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
Go-to-Market
More global and diverse
Broader sales and
channel presence
worldwide
More customers and
more touch points within
the customer
Increased customer
mindshare
Best-In-Class
Solutions
Broader portfolio for
service providers
Extends reach into the
mid-tier enterprise
market
Jump-starts our entry
into Cyber Intelligence,
RAN optimization, BI
Next-Gen platform and
software
Financially Compelling
$1.2B+ revenue base*
positioned for growth
Accretive to non-GAAP
earnings[1]
Year 2 run-rate cost
synergies of ~5% of total
combined cost base*
Continued prudent cost
control
*
Non-GAAP
1
First full year of combined operations
Doubles our total
addressable market to
$8B+
Furthering our strategic
capabilities to our
customers
Increasing operating

margins and cash flow
Strategic Rationale for the Transaction

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Revenue growth
-
Larger and more accessible TAM
-
Expanded sales presence
-
Attractive cross-selling opportunities

Scalable infrastructure
-
Synergies (above and below the line)
-
Continued prudent cost controls
-
Tax efficiencies from international operations

Capital investment efficiencies
-
Product development
-
Capital allocation (share repatriation)
Compelling Financial Opportunity
Scale produces earnings and cash flow along with continuing
revenue growth

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Network Performance
Management
Application Performance
Management
Cyber Security & Intelligence
SECTORS
FORECAST
Advanced Analytics
(Business Intelligence)
Total Addressable Market
Market Forecast Sources: IDC, 2014, see appendix for specific report citations
REVENUE SYNERGIES
Generating 10%+ Annual Revenue

Positioned to offer service provider customers best-in-class service assurance solutions (troubleshooting plus monitoring)

Complementary offerings for the service provider market in adjacent areas

Enterprise cross-selling arising from a larger, more diverse and global customer base along with a broader range of offerings

Accelerate adoption of Arbor s cyber security solutions in the enterprise while leveraging Arbor s existing footprint for new NetScout security offering that is expected to be brought to market in 2015

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Operating leverage and strong free cash flow growth:

Return non-GAAP gross margin to prior levels in the high-70%

Drive additional synergies across a range of functional areas

Continue fiscal discipline across a scalable infrastructure

Potential for incremental EPS gains:

Tax efficiencies

Capital deployment strategies
Generating Earnings and Cash Flow
Operating targets attained
assuming ~10% annual revenue
growth
Current Operating
Targets
Post-Acquisition
5-Year Operating
Targets
Gross Margin
78
81%
75
78%+
Operating Margin
24
27%
26%
31%+

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
Confidential Business Information

Announced on October 13, 2014

NetScout to acquire most of Danaher s Communications business*

Structured as Reverse Morris Trust

DHR shareholders receive 62.5 million NetScout shares, valued at
approximately $2.3 billion
1

DHR shareholders will own approximately 59.5% of NetScout, NTCT
shareholders will own approximately 40.5% on a fully diluted basis

NetScout senior management team to lead combined company; NetScout board
of directors to include DHR EVP Jim Lico

Expected to close during the first half of NetScout s FY16, subject to approval by
NetScout shareholders, regulatory approvals and other conditions
*
Includes
TekComms,
Arbor
Networks,
VSS
Monitoring
and
Enterprise
Network
Solutions
(ENS)
of
FNET,
excludes
Data
Communications
Installer
(DCI)
and
Communications
Service
Providers (CSP) portfolios of FNET

1
Based on NTCT closing stock price of $37.35 on 2/6/15
Transaction Structure

Danaher to spin-off or split-off (to be determined at later date) its Communications business to DHR Shareholders

The separation is immediately followed by a merger with NetScout

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.
Strategy:
Continued leadership in the major computing trends over the next
decade
Helping our customers achieve ROI and manage risk through the
operational intelligence gained from our analytics
Fundamentals:
Visionary leadership
Cutting edge technology: ASI and nGeniusONE
Brand recognition through market leadership
Scalable infrastructure requiring limited future investment
Solid cash flow and investment position
Proven track record of leadership and financial strength.

Thank You

Appendix: Non-GAAP Measure Reconciliation

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Non-GAAP Measure Reconciliation:
Revenue, EPS and Free Cash Flow
Free Cash Flow
($ in millions)

	YTD Q3 FY'15
Operating Cash Flow	$ 57.3
Purchase of Fixed Assets & Intangible Assets	(8.8)
Free Cash Flow	$ 48.5

(in thousands, except per share data)

	For the Fiscal Years Ended March 31,			
	2011	2012	2013	2014
GAAP Revenue	$ 290,540	$ 308,679	$ 350,550	$ 396,647
Deferred revenue fair value adjustment / Impact of accounting change	(797)	312	1,215	558
Non-GAAP Revenue	$ 289,743	$ 308,991		

$
351,765
$
397,205
$
GAAP Gross profit
229,179
$
243,007
$
276,542
$
312,134
$
Deferred revenue fair value adjustment
132

312

1,215

558

Inventory fair value adjustment
-

-

453

-

Share-based compensation expense (1)
352

419

577

969

Amortization of acquired intangible assets (2)
3,980

4,651

4,547

3,333

Compensation for post combination services (4)
-
10

14

34

Non-GAAP Gross profit
232,714
$
248,399
$
283,348
$
317,028
$
GAAP Income from operations
58,065
$
53,683
$
64,529
$
78,014
$
Deferred revenue fair value adjustment
132

312

1,215

558

Inventory fair value adjustment
-

-

453

-
Share-based compensation expense (1)
6,439

8,702

9,580

12,930

Amortization of acquired intangible assets (2)
5,887

6,782

7,424

6,765

Business development and integration expense (3)
755

4,347

1,618

523

Compensation for post combination services (4)
-
438

2,721

2,215

Restructuring charges
-
603

1,065

-
Non-GAAP Income from operations
70,349
$
74,867
$
88,605
$
101,005
$
GAAP Net income
37,265
$
32,428
$
40,609

$
49,106
$
Deferred revenue fair value adjustment / Impact of accounting change
(797)

312

1,215

558

Inventory fair value adjustment
-

-

453

-
Share-based compensation expense (1)
6,439

8,702

9,580

12,930

Amortization of acquired intangible assets (2)
5,887

6,782

7,424

6,765

Business development and integration expense (3)
755

4,715

1,618

523

Compensation for post combination services (4)
-

438

2,721

2,215

Loss on extinguishment of debt (5)
-

603

-

-

Income tax adjustments (6)
(4,668)

(7,700)

(8,671)

(7,879)

Restructuring charges
-

690

1,065

-

Non-GAAP Net income
44,881
$
46,970
$
56,014
$
64,218
$
GAAP Diluted Net income per share
0.87
$
0.76
$
0.96
$
1.17

$
Share impact of non-GAAP adjustments identified above
0.17

0.34

0.36

0.36

Non-GAAP Diluted net income per share
1.04
$
1.10
$
1.32
$
1.53
$
Shares used in computing non-GAAP diluted net income per share
42,973

42,750

42,322

41,955

(1) Share-based compensation expense included in these amounts is as follows:
Cost of product revenue
134
$
192
$
235
$
228
$
Cost of service revenue
218

227

342

741

Research and development
1,651

2,486

2,944

4,361

Sales and marketing
2,527

3,052

3,035

3,791

General and administrative
1,909

2,745

3,024

3,809

Total share-based compensation expense
6,439
$
8,702
$
9,580
$
12,930
$
(2) Amortization expense related to acquired software and product technology included in these amounts is as follows:
Cost of product revenue
3,980
$
4,651
$
4,547
$
3,333
$
Operating expenses
1,907

2,131

2,877

3,432

Total amortization expense
5,887
$
6,782
$
7,424
$
6,765
$
(3) Business development and integration expense included in these amounts is as follows:
Cost of service revenue
-

10

-

-

Research and development
-

1,545

15

-

Sales and marketing
-

346

10

-

General and administrative
755

2,446

1,593

523

Other income (expense), net
-

368

-

-

Total business development and integration expense
755
$
4,715
$
1,618
$
523
$
(4) Compensation for post combination services included in these amounts is as follows:
Cost of product revenue
-

-

10

23

Cost of service revenue
-

-

4

11

Research and development
-

438

1,670

902

Sales and marketing
-

-

64

153

General and administrative
-

-

973

1,126

Total compensation for post combination services
-
$
438
$
2,721
$
2,215
$
Loss on extinguishment of debt included in this amount is as follows:
Interest and other income (expense), net
-
$
690
$
-
$
-
$
(6) Total income tax adjustment is as follows:
Tax effect of non-GAAP adjustments above at 38%
(5,021)

(8,452)

(9,149)

(8,737)

Tax impact of non-GAAP reconciling items in loss jurisdictions
-
752

478

858

Total income tax adjustments

(5,021)
$
(7,700)
$
(8,671)
$
(7,879)
$
NetScout Systems, Inc.
Reconciliation of Current GAAP to Current and Historical Non-GAAP Financial Measures
(In thousands, except per share data)
Three Months Ended
September 30,
2014
2013
2014
2014
2013
GAAP Revenue
122,833
$
110,428
$
103,599
$
334,284
$
284,330
$
Deferred revenue fair value adjustment
-
140
-
18
419
Non-GAAP Revenue
122,833
$
110,568
$
103,599
$
334,302
$
284,749
$
GAAP Gross profit
95,851
$
86,826

$
82,004
$
263,111
$
224,102
$
Deferred revenue fair value adjustment
-
140
-
18
419
Share-based compensation expense (1)
379
256
407
1,074
740
Amortization of acquired intangible assets (2)
905
837
923
2,762
2,480
Compensation for post combination services (4)
2
8
9
19
25
Non-GAAP Gross profit
97,137
$
88,067
$
83,343
$
266,984
$
227,766
$
GAAP Income from operations
27,939
$
27,264
$
18,644
$
66,185

$
52,029
$
Deferred revenue fair value adjustment
-
140
-
18
419
Share-based compensation expense (1)
4,150
3,217
4,495
11,947
9,959
Amortization of acquired intangible assets (2)
1,726
1,697
1,779
5,301
5,051
Business development and integration expense (3)
4,698
78
1,477
6,175
482
Compensation for post combination services (4)
312
530
545
1,393
1,685
Non-GAAP Income from operations
38,825
$
32,926
$
26,940
$
91,019
$
69,625
$
GAAP Net income
17,629
$
17,294
$
11,233

$
40,338
$
32,430
$
Deferred revenue fair value adjustment
-
140
-
18
419
Share-based compensation expense (1)
4,150
3,217
4,495
11,947
9,959
Amortization of acquired intangible assets (2)
1,726
1,697
1,779
5,301
5,051
Business development and integration expense (3)
4,698
78
1,477
6,175
482
Compensation for post combination services (4)
312
530
545
1,393
1,685
Income tax adjustments (5)
(3,909)
(1,941)
(2,908)
(8,727)
(6,034)
Non-GAAP Net income
24,606
$
21,015
$
16,621
$
56,445
$

43,992
$
GAAP Diluted Net income per share
0.42
$
0.41
$
0.27
$
0.97
$
0.77
$
Share impact of non-GAAP adjustments identified above
0.17
0.09
0.13
0.38
0.28
Non-GAAP Diluted net income per share
0.59
$
0.50
$
0.40
$
1.35
$
1.05
$
Shares used in computing non-GAAP diluted net income per share
41,536
41,884
41,652
41,679
41,969
(1)
Share-based compensation expense included in these amounts
is as follows:
Cost of product revenue
85
$
62
$
93
$
238
$
174
$

Cost of service revenue
294
194
314
836
566
Research and development
1,455
1,157
1,490
3,971
3,316
Sales and marketing
1,221
944
1,235
3,419
2,952
General and administrative
1,095
860
1,363
3,483
2,951
Total share-based compensation expense
4,150
$
3,217
$
4,495
$
11,947
$
9,959
$
(2)
Amortization expense related to acquired software and product
technology included in these amounts is as follows:
Cost of product revenue
905
$
837
$
923
$
2,762
$
2,480
$
Operating expenses

821
860
856
2,539
2,571
Total amortization expense
1,726
$
1,697
$
1,779
$
5,301
$
5,051
$
(3)
Business development and integration expense included in
these amounts is as follows:
General and administrative
4,698
78
1,477
6,175
482
Total business development and integration expense
4,698
$
78
$
1,477
$
6,175
$
482
$
(4)
Compensation for post combination services included in these
amounts is as follows:
Cost of product revenue
1
5
6
13
17
Cost of service revenue
1
3
3
6

8
Research and development
211
209
215
631
703
Sales and marketing
14
39
37
90
115
General and administrative
85
274
284
653
842
Total compensation for post combination services
312
$
530
$
545
$
1,393
$
1,685
$
(5)
Total income tax adjustment is as follows:
Tax effect of non-GAAP adjustments above at 38%
(4,136)
$
(2,149)
$
(3,153)
$
(9,437)
$
(6,685)
$
Tax impact of non-GAAP reconciling items in loss jurisdictions
227
208
245
710
651
Total income tax adjustments

(3,909)
$
(1,941)
$
(2,908)
$
(8,727)
$
(6,034)
$
Three Months Ended
Nine Months Ended
December 31,
December 31,

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

Non-GAAP Measure Reconciliation:
NetScout and DCB Historical Information

	12-months	6-months	12-months	6-months	12-months	6-months
	FY2014	FY2015	CY2013	CY2014	FY2014	FY2015
Revenue:						
Product	$ 234,268	$ 122,319	$ 623,632	$ 230,271	$ 857,900	$ 352,590
Service	162,379	89,132	211,259	113,032	373,638	202,164

Total GAAP revenue
396,647

211,451

834,891

343,303

1,231,538

554,754

Non-GAAP Adjustments
558

18

558

18

Total Non-GAAP revenue
397,205

211,469

834,891

343,303

1,232,096

554,772

Cost of revenue:

Product
51,219

26,705

195,077

86,502

246,296

113,207

Service
33,294

17,486

48,043

25,551

81,337

43,037

Total GAAP cost of revenue
84,513

44,191

243,120

112,053

327,633

156,244

Non-GAAP Adjustments
(4,336)

(2,569)

(9,344)

(5,021)

(13,680)

(7,590)

Total Non-GAAP cost of revenue
80,177

41,622

233,776

107,032

313,953

148,654

Gross profit - GAAP
312,134

167,260

591,771

231,250

903,905

398,510

Non-GAAP Adjustments
4,894

2,587

9,344

5,021

14,238

7,608

Gross profit - Non-GAAP
317,028

169,847

601,115

236,271

918,143

406,118

Operating expenses:

Research and development
70,454

38,008

147,553

82,185

218,007

120,193

Sales and marketing
129,611

69,468

276,896

133,095

406,507

202,563

General and administrative
30,623

19,820

30,623

19,820

Impairment of intangible assets
31,063

31,063

-

Amortization of acquired intangible assets
3,432

1,718

19,661

8,274

23,093

9,992

Total operating expenses - GAAP
234,120

129,014

475,173

223,554

709,293

352,568

Non-GAAP Adjustments
(18,097)

(11,361)

(73,130)

(17,422)

(91,227)

(28,783)

Total operating expenses - Non-GAAP
216,023

117,653

402,043

206,132

618,066

323,785

Income from operations - GAAP
78,014

38,246

116,598

7,696

194,612

45,942

Non-GAAP Adjustments
22,991

13,948

82,474

22,443

105,465

36,391

Income from operations - Non-GAAP
101,005

52,194

199,072

30,139

300,077

82,333

Interest and other expense, net
(158)

(674)

(158)

(674)

Income before income tax expense
77,856

37,572

116,598

7,696

194,454

45,268

Income tax expense - GAAP
28,750

14,863

32,792

2,311

61,542

17,174

Non-GAAP Adjustments
(7,879)

(4,818)

(40,068)

(8,720)

(47,947)

(13,538)

Income tax expense - Non-GAAP
36,629

19,681

72,860

11,031

109,489

30,712

Net income - GAAP
49,106
$
22,709
$
83,806

$
5,385
$
132,912
$
28,094
$
Non-GAAP Adjustments
15,112

9,130

42,406

13,723

57,518

22,853

Net income - Non-GAAP
64,218

31,839

126,212

19,108

190,430

50,947

WSO - diluted
41,955

41,732

62,500

62,500

104,455

104,232

Diluted net income per share - GAAP
1.17
$
0.54

$
1.27
$
0.27
$
Diluted net income per share - Non-GAAP
1.53
$
0.76
$
1.82
$
0.49
$
DHR Communications
Combined Proforma
NTCT

1992-2015
NetScout
Systems,
Inc.
All
rights
reserved.

IDC, Worldwide Network Management Software and Appliance
2014 2018 Forecast and 2013 Vendor Shares, July 2014

IDC, Worldwide Application Performance Management Software
2014 2018 Forecast, September 2014

IDC, Worldwide Advanced and Predictive Analytics Software 2014
2018 Forecast and 2013 Vendor Shares, July 2014

IDC, Worldwide DDoS Prevention Products and Services 2014 2018
Forecast, September 2014

IDC, Worldwide Threat Intelligence Security Services 2014 2018
Forecast:
"Iterative
Intelligence"

Threat
Intelligence
Comes
of
Age,
March 2014
International Data Corporation Research

26
Supporting Slides
****
****
****
****
****
****
****
****
****