

NETSCOUT SYSTEMS INC
Form PRER14A
January 09, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934
(Amendment No. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

NETSCOUT SYSTEMS, INC.

(Name of Registrant as Specified in its charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.

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Preliminary Copy

[], 2014

Dear Stockholders:

You are cordially invited to attend a special meeting of the stockholders of NetScout Systems, Inc., or NetScout, to be held on [], 2015 at [] local time, at NetScout Systems, Inc., 310 Littleton Road, Westford, Massachusetts to vote on actions associated with a strategic acquisition that your board of directors has determined represents an unprecedented opportunity to strengthen NetScout and position it to deliver enhanced, sustainable shareholder value. A notice of the special meeting and the proxy statement follow.

As previously announced, on October 12, 2014, NetScout entered into a definitive agreement with Danaher Corporation, or Danaher, under which NetScout will acquire Danaher's Communications Business, comprising Tektronix Communications, Arbor Networks, and certain parts of Fluke Networks, which we refer to as the Communications Business.

We believe the acquisition is highly compelling strategically, operationally and financially, and that it will create shareholder value well in excess of what NetScout could achieve on its own, based on benefits that include:

a broader portfolio of best-in-class solutions that will double NetScout's total addressable market to over \$8 billion;

acceleration of our plans to enter growth-oriented market sectors such as cyber intelligence and business intelligence analytics;

substantially stronger go-to-market capabilities to support a broader, more global and diverse customer base of service provider and enterprise customers; and

notable operating synergies arising from our greater scale that will enable us to improve efficiencies across a number of key functional areas, along with the resources necessary to fund continued innovation and key sales, marketing and support programs.

In combination, we believe that these benefits will enable NetScout to sustain strong growth on a substantially larger revenue base, which, in combination with notable operating synergies and prudent investment, will enable us to drive our profitability to new levels.

At the special meeting, you will be asked to approve a proposal to issue shares of NetScout common stock in connection with the transactions necessary to combine the Communications Business with the business of NetScout. You will also be asked to approve a proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance

of shares of NetScout common stock in the acquisition. **If the proposal to approve the issuance of shares of NetScout common stock is not approved, the proposed acquisition cannot be completed.**

After consummation of the transactions described in the proxy statement, approximately 59.5% of NetScout common stock is expected to be held by pre-transaction holders of Danaher common stock and approximately 40.5% of NetScout common stock is expected to be held by pre-transaction NetScout stockholders. After the transactions, NetScout common stock issued will continue to be listed on NASDAQ under NetScout's current symbol, NTCT.

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The NetScout board of directors recommends that you vote FOR the proposal to issue shares of NetScout common stock to facilitate the completion of the acquisition and FOR the proposal to approve adjournments or postponements of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock.

Your proxy is being solicited by the board of directors of NetScout. After careful consideration, our board of directors unanimously approved the definitive agreement and determined that this agreement and the other transactions associated with it are advisable and fair to, and in the best interests of, NetScout and its stockholders.

We urge all NetScout stockholders to read the accompanying proxy statement carefully and in its entirety. In particular, we urge you to read carefully the matters discussed under Risk Factors beginning on page 29.

Your vote is very important, regardless of the number of shares you own. We cannot complete the acquisition unless the proposal to issue NetScout shares in the transaction is approved by the affirmative vote of a majority of the outstanding shares of common stock that are voted at the special meeting. Regardless of your plans to attend the special meeting in person, please vote by proxy over the telephone, on the internet or by mail as described in the enclosed proxy materials. If you submit your proxy without indicating how you want to vote, your proxy will be counted as a vote **FOR** each of the proposals presented at the special meeting. If you do not vote by telephone, by using the internet or by mail, or if you do not specifically instruct your bank, broker or other nominee how to vote any shares held for you in street name, your shares will not be voted at the special meeting.

On behalf of our Board of Directors, we thank you for your support and appreciate your consideration of this matter. We look forward to reporting the results from the special meeting to you.

Very truly yours,

Anil Singhal
Chairman, President, and Chief Executive
Officer

This document is dated [], 2015 and is first being mailed to NetScout's stockholders on or about [], 2015.

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REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about NetScout from documents filed with the SEC that have not been included or delivered with this document. This information is available to NetScout stockholders without charge by accessing the SEC's website maintained at www.sec.gov, or upon written or oral request to NetScout Systems, Inc., 310 Littleton Road, Westford, Massachusetts 01886, Attention: Investor Relations, telephone: (978) 614-4000. See [Where You Can Find More Information](#); [Incorporation by Reference](#).

All information contained or incorporated by reference in this document with respect to NetScout, Merger Sub and Merger Sub II and their respective subsidiaries, as well as information on NetScout after the consummation of the Transactions, has been provided by NetScout. All other information contained or incorporated by reference in this document with respect to Danaher, Newco or their respective subsidiaries, or the Communications Business and with respect to the terms and conditions of Danaher's exchange offer and/or spin-off has been provided by Danaher. This document contains or incorporates by reference references to trademarks, trade names and service marks, including AIRMAGNET®, FLUKE NETWORKS®, ARBOR NETWORKS®, TEKTRONIX® Communications and VSS MONITORING® that are owned by Danaher and its related entities.

The information included in this document regarding Danaher's exchange offer is being provided for informational purposes only and does not purport to be complete. For additional information on Danaher's exchange offer and the terms and conditions of Danaher's exchange offer, NetScout's stockholders are urged to read Newco's registration statement on Form S-4 and Form S-1 (Reg. No. 333-200711), NetScout's registration statement on Form S-4 (Reg. No. 333-200704), when each is available, and all other documents Newco or NetScout file with the SEC relating to the Mergers. This document constitutes only a proxy statement for NetScout stockholders relating to the special meeting and is not an offer to sell or a solicitation of an offer to purchase shares of NetScout common stock, Danaher common stock or Newco common units.

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EXPLANATORY NOTE

This proxy statement relates to the special meeting of stockholders of NetScout Systems, Inc. (NetScout) to approve the issuance of shares of NetScout common stock, par value \$0.001 per share, that will be issued in the two-step merger process whereby (i) RS Merger Sub I, Inc., a Delaware corporation (Merger Sub), which is a wholly-owned subsidiary of NetScout Systems, Inc., a Delaware corporation (NetScout), will merge with and into Newco, with Newco continuing as the surviving company (the First Merger) and (ii) immediately following the First Merger, Newco will merge with and into RS Merger Sub II, LLC, a Delaware limited liability company (Merger Sub II), which is a wholly-owned subsidiary of NetScout, with Merger Sub II surviving as a wholly-owned subsidiary of NetScout (the Second Merger , and together with the First Merger, the Mergers). Prior to the Mergers, Danaher will transfer certain assets and liabilities related to the communications business of Danaher, including Tektronix Communications, Arbor Networks and certain parts of Fluke Networks Enterprise, but excluding Danaher's data communications cable installation business and its communication service provider (field and test tools systems) business (the Communications Business), to Newco or one of its subsidiaries. In exchange therefor, Danaher will receive all of the issued and outstanding Newco common units. Newco is a newly formed, wholly-owned subsidiary of Danaher that was organized specifically for the purpose of effecting the Separation (as defined below). Newco has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and those incurred in connection with the Transactions (as defined below). The Newco common units will be immediately converted into shares of NetScout common stock in the First Merger. NetScout has filed this proxy statement that relates to the special meeting of stockholders of NetScout to approve the issuance of shares of NetScout common stock in the First Merger. In addition, NetScout has filed a registration statement on Form S-4 (Registration No. 333-200704) to register the shares of its common stock, which will be issued in the First Merger.

Based on market conditions prior to the closing of the Mergers, Danaher will determine whether the Newco common units will be distributed to Danaher's stockholders in a spin-off or a split-off. In a spin-off, all Danaher stockholders would receive a pro rata number of Newco common units. In a split-off, Danaher would offer its stockholders the option to exchange their shares of Danaher common stock for Newco common units in an exchange offer. If the exchange offer is undertaken and consummated but the exchange offer is not fully subscribed because fewer than all Newco common units owned by Danaher are exchanged, the remaining Newco common units owned by Danaher would be distributed on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer. After the distribution of Newco common units in a split-off and/or spin-off, as applicable, Newco common units would immediately be converted into shares of NetScout common stock in the First Merger, resulting in a reduction in Danaher's outstanding shares.

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NETSCOUT SYSTEMS, INC.

310 Littleton Road

Westford, MA 01886

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held []

To the Stockholders of NetScout Systems, Inc.:

A special meeting of stockholders (the special meeting) of NetScout Systems, Inc. (NetScout) will be held at [] a.m. local time, on [], 2015, at NetScout Systems, Inc., 310 Littleton Road, Westford, Massachusetts 01886. The special meeting will be held for the following purposes:

1. To approve the issuance of shares of NetScout common stock in the First Merger;
2. To adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger; and
3. To transact any other business that may properly come before the special meeting or any adjourned or postponed session of the special meeting.

NetScout's board of directors has unanimously approved the Mergers, the Merger Agreement, and the other Transactions (each as defined in this proxy statement), and determined that the Transactions contemplated by the Merger Agreement are advisable and fair to, and in the best interests of, NetScout and its stockholders. NetScout's board of directors recommends that stockholders vote FOR the proposal to issue shares of NetScout common stock in the First Merger and FOR the proposal to approve adjournments or postponements of the special meeting for the purpose of soliciting additional proxies, if necessary or appropriate. If the proposal to approve the issuance of shares of NetScout common stock in the First Merger is not approved, the Mergers cannot be completed.

Holders of record at the close of business on [], 2015, the Record Date for determining stockholders entitled to vote at the special meeting, will be entitled to vote at the meeting and any adjournments or postponements of the special meeting.

The attached proxy statement contains a description of the Merger Agreement and the proposed Transactions.

All NetScout stockholders are cordially invited to attend the special meeting in person. However, whether or not NetScout stockholders plan to attend the meeting, we urge each NetScout stockholder to vote by proxy by following the instructions on the enclosed proxy card to ensure its vote is counted. A NetScout stockholder may still attend the meeting in person even if it has already voted by proxy. If your shares are held in the name of a bank, broker or other

nominee, you may be eligible to vote electronically or by phone please refer to the voting instruction form provided to you by your bank, broker or other nominee. If you attend the meeting, you may vote in person even if you have previously returned your vote in accordance with the foregoing.

By Order of the Board of Directors,

Anil K. Singhal

Chairman, President, and Chief Executive Officer

Westford, Massachusetts

[], 20[]

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Certain abbreviations and terms used in the text and notes are defined below:

Abbreviation/Term	Description
Ancillary Agreements	The Tax Matters Agreement, the Transition Services Agreement, the Employee Matters Agreement, the Trademark License Agreement, the DBS License Agreement, the IP License Agreement, the Lease Agreement and any other agreements mutually agreed to by the parties pursuant to the Distribution Agreement
Audited Financial Statements	The audited combined financial statements of (x) the Communications Business and (y) Newco (before giving effect to the internal restructuring described in the Distribution Agreement), including the combined balance sheets of (x) the Communications Business and (y) Newco (before giving effect to the internal restructuring described in the Distribution Agreement) as of December 31, 2013 and December 31, 2012 and the three years in the period ended December 31, 2013 together with a report on the financial statements from the independent registered public accounting firm for the Communications Business
Code	The Internal Revenue Code of 1986, as amended
Communications Business	The communications group business of Danaher conducted under the brands Tektronix Communications, Fluke Networks and Arbor Networks, and including Newco and its subsidiaries; provided, however, that the Communications Business shall exclude Danaher's data communications cable installation business and its communication service provider (field and test tools systems) business
Danaher	Danaher Corporation
Danaher common stock	The common stock, par value \$0.01 per share, of Danaher
Danaher Equity Award	Any Danaher Option that is issued and unexercised and any Danaher RSU that is issued and unvested, in each case at the effective time of the First Merger, and which is treated in each case in accordance with the Employee Matters Agreement
Danaher group	Danaher and each of its subsidiaries, but excluding any member of the Newco group
Danaher Option	Options to purchase shares of Danaher common stock from Danaher, whether granted by Danaher pursuant to the Danaher Stock Plans, assumed by Danaher in connection with any merger, acquisition or similar transaction or otherwise issued or granted and whether vested or unvested
Danaher RSU	Each restricted stock unit representing the right to vest in and be issued shares of Danaher common stock by Danaher, whether granted by Danaher pursuant to a Danaher Stock Plan, assumed by Danaher in connection with any merger, acquisition or similar transaction or otherwise issued or granted

and whether vested or unvested

Danaher Shared Contract

Any contract relating to (but not relating primarily to) the Communications Business that also relates to any business or business function of the Danaher group to which Danaher, Newco or any member of their respective groups is a party or by which any of their respective assets is bound

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Abbreviation/Term	Description
Danaher Stock Plans	Danaher's 1998 Stock Option Plan, Danaher's 2007 Stock Incentive Plan, Tektronix 2002 Stock Incentive Plan and Tektronix 2005 Stock Incentive Plan
DBS License Agreement	The DBS License Agreement substantially in the form attached as Exhibit E to the Distribution Agreement
Debt Financing	Any debt financing entered into by the NetScout Companies in connection with the Mergers, the Distribution and other transactions contemplated by the Transaction Documents, including the amendment of that certain Credit and Security Agreement, dated as of December 21, 2007, by and among NetScout, KeyBank National Association, Wells Fargo Bank, National Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of America, N.A., Silicon Valley Bank, Comerica Bank, and the lenders party thereto, as amended by First Amendment Agreement, dated as of December 4, 2009
DGCL	General Corporation Law of the State of Delaware
The Distribution	The distribution by Danaher, pursuant to the Merger Agreement, of 100% of the Newco common units to Danaher's stockholders in either an exchange offer followed, if necessary, by a spin-off or in a spin-off distribution not including an exchange offer. Danaher expects for the Distribution to be effected through an exchange offer, but the ultimate structure selected will be based on market conditions
The Distribution Agreement	The Separation and Distribution Agreement, dated as of October 12, 2014, by and among Danaher, NetScout and Newco (as the same may be amended from time to time)
Distribution Date	The date selected by the Danaher board or its designee for the distribution of Newco common units to holders of Danaher common stock as of the record date in connection with the Distribution
Employee Matters Agreement	The Employee Matters Agreement substantially in the form attached as Exhibit C to the Distribution Agreement
Exchange Act	The Securities Exchange Act of 1934, as amended
The exchange offer	An exchange offer whereby Danaher is offering to its stockholders the option to exchange all or a portion of their shares of Danaher common stock for all of the Newco common units, which Newco common units will be immediately exchanged for NetScout common stock in the Mergers
The First Merger	The merger of Merger Sub with and into Newco, with Newco surviving the merger as a wholly-owned subsidiary of NetScout, as contemplated by the Merger Agreement
GAAP	Generally accepted accounting principles in the United States
HSR Act	The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended
Internal Restructuring	The corporate structuring steps contemplated by the Plan of Reorganization

IP License Agreement

The Intellectual Property Cross-License Agreement substantially in the form attached as Exhibit G to the Distribution Agreement

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Abbreviation/Term	Description
IRS	Internal Revenue Service
IRS ruling	Private letter ruling from the IRS with respect to certain aspects of the anticipated non-taxable nature of the Transactions
Lease Agreement	The Commercial Lease Agreement substantially in the form attached as Exhibit F to the Distribution Agreement
The Merger Agreement	The Agreement and Plan of Merger and Reorganization, dated as of October 12, 2014, by and among Danaher, Newco, NetScout, Merger Sub and Merger Sub II (as the same may be amended from time to time)
The Mergers	The First Merger together with the Second Merger
Merger Sub	RS Merger Sub I, Inc., which is a wholly-owned subsidiary of NetScout
Merger Sub II	RS Merger Sub II, LLC, which is a wholly-owned subsidiary of NetScout
NASDAQ	The NASDAQ Global Select Market
NetScout	NetScout Systems, Inc.
NetScout Bylaws	NetScout's Amended and Restated Bylaws
NetScout Charter	NetScout's Third Amended and Restated Certificate of Incorporation
NetScout common stock	The common stock, par value \$0.001 per share, of NetScout
NetScout Companies	NetScout and each of NetScout's subsidiaries, including Merger Sub and Merger Sub II
NetScout Products	Products or services (i) both (x) designated or developed and (y) sold, or (ii) under development and substantially completed, or (iii) manufactured, sold or distributed, in each of the foregoing (i), (ii) and (iii), by or on behalf of the NetScout Companies as of October 12, 2014, including the products listed in the NetScout disclosure letter to the Merger Agreement
NetScout Superior Offer	An unsolicited bona fide written offer by a third party to purchase at least a majority of the outstanding shares of NetScout common stock or at least a majority of the assets of NetScout (whether through a tender offer, merger or otherwise), that is determined by the NetScout board of directors, in its good faith judgment, after consulting with its financial advisor and outside legal counsel, and after taking into account the terms and conditions of the offer, including the likelihood and anticipated timing of consummation, (i) to be more favorable, from a financial point of view, to NetScout's stockholders than the combination with Newco, (ii) is reasonably likely to be completed, taking into account any financing and approval requirements that the NetScout board of directors determines to be relevant and all other financial, legal, regulatory and other aspects of such proposal that the NetScout board of directors determines to be relevant, and (iii) for which financing, if a cash transaction (in whole or part), is then fully committed
Newco	Potomac Holding LLC, which is a Delaware limited liability company and currently a wholly-owned subsidiary of Danaher Corporation

Newco Assets

Has the meaning ascribed to the Communications Assets in the Distribution Agreement

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Abbreviation/Term	Description
Newco common units	Common units representing limited liability company interests in Newco
Newco Companies	Newco and its subsidiaries after giving effect to the transactions and transfer of assets and liabilities as set forth in the Distribution Agreement
Newco Employee	Each employee who as of the date of the Separation is an employee of Danaher's Tektronix Communications business or Danaher's Arbor Networks business and each employee of Danaher's Fluke Networks Enterprise business who is determined to be either primarily dedicated to the Communications Business in the ordinary course or required for the ongoing operation of the Communications Business, and in all cases regardless of whether any such employee is actively at work as of the date of the Separation or is not actively at work as of the date of the Separation as a result of disability or illness, an approved leave of absence (including military leave with reemployment rights under federal law and leave under the Family and Medical Leave Act of 1993), vacation, personal day or similar short- or long-term absence
Newco group	Newco, and each of the subsidiaries of Danaher contemplated to be owned (directly or indirectly) by Newco immediately prior to the Separation Time pursuant to the Plan of Reorganization
Newco Indemnitees	Newco, each member of the Newco group, NetScout (from and after the Separation Time), each of their respective successors and assigns, all persons who are or have been stockholders, directors, partners, managers, managing members, officers, agents or employees of any member of the Newco group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns
Newco Independent Contractor	Each independent contractor who as of the date of the Separation provides services to Danaher's Tektronix Communications business or Danaher's Arbor Networks business and each independent contractor providing services to Danaher's Fluke Networks Enterprise business who is determined to be either primarily dedicated to the Communications Business in the ordinary course or required for the ongoing operation of the Communications Business
Newco IP	(a) All intellectual property constituting, and all intellectual property rights embodied by, the Newco Products and for which Danaher has (or purports to have, including as a result of the transfers under the Distribution Agreement) ownership rights; and (b) all other material intellectual property rights with respect to which any of the Newco Companies has (or purports to have, including as a result of the transfers under the Distribution Agreement) an ownership interest
Newco Products	Products or services (i) both (x) designated or developed and (y) sold, or (ii) under development and substantially completed, or (iii) manufactured, sold or distributed, in each of the foregoing (i), (ii) and (iii), by or on behalf of the Communications Businesses or Newco Companies as of October 12,

2014, including the products listed in the Danaher disclosure letter to the Merger Agreement

Newco Shared Contract

Any contract primarily relating to the Communications Business that also relates to any business or business function of the Danaher group to which Danaher, Newco or any member of their respective groups is a party or by which any of their respective assets is bound

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Abbreviation/Term	Description
NYSE	The New York Stock Exchange
Operating Profit	The earnings before income taxes of the Communications Business, taken as a whole, for the fiscal year ended December 31, 2013, calculated in a manner consistent with GAAP consistently applied but before (1) impairment of intangible assets, (2) intangible amortization, (3) stock based compensation, (4) corporate allocations and (5) allocations from Fluke Industrial or Tektronix Instruments, calculated in a manner consistent with the schedules to the Merger Agreement
Plan of Reorganization	The plan to allocate and convey to Newco (or the applicable Newco Sub) the Communications Assets, the Communications Liabilities and ownership of the Newco Subs to reach the Newco structure as it will exist immediately prior to the Distribution
The Second Merger	After the First Merger, the merger of Newco with and into Merger Sub II, with Merger Sub II surviving the merger, as contemplated by the Merger Agreement
Securities Act	The Securities Act of 1933, as amended
The Separation	The internal restructuring to separate and consolidate certain assets and liabilities used in the Communications Business under Newco pursuant to the Distribution Agreement
Separation Date	The effective date of the Separation
Separation Time	The effective time of the Separation
Tax Matters Agreement	The Tax Matters Agreement substantially in the form attached as Exhibit A to the Distribution Agreement
Tax Opinion	The tax opinion of Danaher's tax counsel, dated as of the closing date of the Mergers
The Transactions	The Separation, the Distribution, the Mergers and related transactions
Trademark License Agreement	The Trademark License Agreement substantially in the form attached as Exhibit D to the Distribution Agreement
Transaction Documents	The Merger Agreement, the Distribution Agreement, the Tax Matters Agreement, the Transition Services Agreement, the Employee Matters Agreement, the Trademark License Agreement, the IP License Agreement, the DBS License Agreement, the Lease Agreement and the Voting Agreement
Transition Services Agreement	The Transition Services Agreement substantially in the form attached as Exhibit B to the Distribution Agreement
Voting Agreement	The Voting Agreement, dated as of October 12, 2014, between Danaher and Anil Singhal

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS AND THE SPECIAL MEETING

The following are some of the questions that NetScout stockholders may have, and answers to those questions. These questions and answers, as well as the following summary, are not meant to be a substitute for the information contained in the remainder of this document, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this document. NetScout urges its stockholders to read this document in its entirety prior to making any decision.

Q: Why am I receiving these materials?

A: NetScout and Danaher have entered into the Merger Agreement pursuant to which the Communications Business will combine with NetScout's business. NetScout is holding a special meeting of its stockholders in order to obtain stockholder approval of the issuance of shares of NetScout common stock in the First Merger. NetScout cannot complete the Mergers unless the proposal relating to the issuance of NetScout common stock in the First Merger is approved by the affirmative vote of a majority of the shares of NetScout common stock represented and voting at the special meeting, either in person or by proxy (assuming a quorum exists). The adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger must also be approved by the affirmative vote of a majority of the shares of NetScout common stock represented and voting at the special meeting, either in person or by proxy.

This document includes important information about the Transactions and the special meeting of the stockholders of NetScout. NetScout stockholders should read this information carefully and in its entirety. A copy of the Merger Agreement is attached as Annex A to this document. The enclosed proxy materials allow NetScout stockholders to vote their shares without attending the NetScout special meeting. **The vote of NetScout stockholders is very important and NetScout encourages its stockholders to vote their proxy as soon as possible. Please follow the instructions set forth on the proxy card (or on the voting instruction form provided by the record holder if shares of NetScout stock are held in the name of a bank, broker or other nominee).**

Q: Who can vote at the special meeting?

A: Only holders of record at the close of business on [] will be entitled to vote at the special meeting. On this record date, there were [] shares of common stock outstanding and entitled to vote.

Holder of Record

If, on [], a NetScout stockholder's shares were registered directly in that stockholder's name with NetScout's transfer agent, Computershare, then that stockholder is a holder of record. As a holder of record, a NetScout Stockholder may vote in person at the meeting or vote by proxy. Whether or not NetScout stockholders plan to attend the meeting, we urge NetScout Stockholders to vote by returning the enclosed proxy card or voting by proxy over the telephone or on the internet as instructed below to ensure their vote is counted.

Beneficial Owner

If, on [], a NetScout stockholder holds shares of NetScout common stock in street name or beneficial name (that is, the NetScout stockholder holds its shares through a bank, broker or other nominee), a voting instruction form has been forwarded to that stockholder by its bank, broker or other nominee, or its agent which is considered the holder of record with respect to these shares. As the beneficial owner, a NetScout stockholder has the right to direct its bank, broker or other nominee as

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to how to vote its shares by following the instructions in the voting instruction form or by voting via the internet or by telephone, but the scope of its rights depends upon the voting processes of the bank, broker or other nominee. Please carefully follow the voting instructions provided by the bank, broker or other nominee or its respective agent.

Q: What is NetScout proposing?

A: NetScout is proposing to combine the Communications Business with NetScout's business. The combination will be effected through a series of Transactions that are described in more detail below and elsewhere in this document. At the consummation of these Transactions:

the Communications Business will be owned by Merger Sub II, which will be a wholly-owned subsidiary of NetScout; and

approximately 59.5% of NetScout common stock is expected to be held by pre-First Merger holders of Danaher common stock and approximately 40.5% of NetScout common stock is expected to be held by pre-First Merger NetScout stockholders.

In the First Merger, NetScout expects to issue an aggregate number of shares of common stock of NetScout equal to (x) 62.5 million shares of NetScout common stock plus the product of (A) 1.46 multiplied by (B) the number of shares of NetScout common stock issued in any acquisition by NetScout prior to the effective time of the First Merger, divided by (y) the aggregate number of Newco common units issued and outstanding immediately prior to the effective time of the First Merger. Based upon the reported closing sale price of \$[] per share for NetScout common stock on NASDAQ on [], the total value of the shares expected to be issued by NetScout would have been approximately \$[] billion. The value of the consideration to be paid by NetScout in the First Merger will fluctuate with the market price of NetScout common stock until the Mergers are consummated.

Q: What are the Transactions referenced above?

A: On October 12, 2014, NetScout and Danaher agreed to enter into Transactions to effect the transfer of the Communications Business to NetScout. These Transactions provide for the Separation and the Distribution of the Communications Business and the subsequent mergers of (a) Merger Sub with and into Newco, with Newco surviving as a wholly-owned subsidiary of NetScout and (b) Newco with and into Merger Sub II, with Merger Sub II surviving as a wholly-owned subsidiary of NetScout. In order to effect the Separation, the Distribution and the Mergers, Danaher, Newco, NetScout, Merger Sub and Merger Sub II entered into the Merger Agreement and Danaher, Newco and NetScout entered into the Distribution Agreement. In addition, Danaher, Newco, NetScout and certain of their respective affiliates have entered into, or will enter into, various ancillary agreements in connection with the Transactions. These agreements, which are described in greater detail in this document, govern the relationship among Danaher, Newco, NetScout and their respective affiliates after the Separation, the Distribution and the Mergers.

Immediately after the Distribution and on the closing date of the Mergers, Merger Sub will merge with and into Newco, whereby the separate corporate existence of Merger Sub will cease and Newco will continue as the surviving

company and as a wholly-owned subsidiary of NetScout. Afterwards, Newco will merge with and into Merger Sub II, whereby the separate corporate existence of Newco will cease and Merger Sub II will continue as the surviving company and as a wholly-owned subsidiary of NetScout. After the Mergers, NetScout will own and operate the Communications Business through Merger Sub II and will also continue its current businesses. All shares of NetScout common stock, including those issued in the First Merger, will be listed on NASDAQ under NetScout's current trading symbol NTCT.

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Q: What are NetScout's reasons for pursuing the Transactions described in this proxy statement?

A: The board of directors of NetScout considered the following factors as generally supporting its decision to approve the Merger Agreement and recommend that NetScout stockholders approve the issuance of shares of NetScout common stock in the First Merger:

Advances Strategic Objectives. The acquisition advances NetScout's strategic objectives of expanding its product portfolio across service assurance and performance analytics, business intelligence and cyber security solutions for communications service providers and large and small enterprises, and government organizations. Consequently, NetScout believes that the acquisition will enhance its ability to create long-term value for its stockholders, including by providing the following benefits:

The acquisition enables NetScout to grow to a combined non-GAAP annual revenue base of more than \$1.2 billion with an expanded range of complementary products, which is expected to position NetScout to drive strong revenue growth and improved profitability over the long term. Over the long term, NetScout management believes that the combined company will be capable of growing revenue at an approximate compounded annual growth rate of 10 percent.

The acquisition increases NetScout's addressable market and broadens both its service provider and enterprise customer base. The acquisition significantly expands NetScout's total addressable market to more than \$8 billion. International Data Corporation (IDC) estimated that spending on network and application performance management solutions, NetScout's core market prior to the acquisition, was approximately \$5.0 billion in 2013. However, NetScout did not have the requisite offerings to fully address key segments within its core market. The acquisition provides NetScout with new capabilities to fill gaps in its product portfolio and target parts of these markets that were previously not available to NetScout such as radio access network optimization and the low-mid tier of the enterprise network performance management market. Additionally, the acquisition enables NetScout to enter the cyber security and advanced analytics (business intelligence) markets in which global spending was estimated by IDC to be over \$3 billion in 2013.

The acquisition of the Tektronix Communications business provides NetScout with broader access to the service provider market

The acquired portions of the Fluke Networks Enterprise business allows NetScout to expand into the mid-tier and smaller enterprise market.

The acquisition of Arbor Networks allows NetScout to immediately enter the cyber intelligence and cyber security market.

NetScout will gain complementary, award-winning technologies, capabilities and offerings that can better position it to deliver high-value products and services.

NetScout will expand its geographical footprint outside of North America.

The combined company is expected to have more than 35% of the workforce composed of research and development personnel.

Cost Synergies. NetScout expects to achieve initial annualized run-rate cost synergies of approximately five percent of the combined cost base, or approximately \$45 to \$55 million within two years from the consummation of the Transactions as a result of increased size, economies of scale, and elimination of redundancies after the Transactions. NetScout expects to generate additional cost synergies in subsequent years by using common infrastructure platforms, and by eliminating or reducing expenses associated with programs and capabilities already in place as NetScout aligns its go-to-market and related support programs and initiatives. However, the magnitude and timing of such synergies has yet to be determined. NetScout's initial estimates of cost synergies were based on NetScout's prior experience in integrating acquired companies and an analysis of the cost base of NetScout and the Danaher Communications businesses. NetScout anticipates that a significant portion of the initial cost

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savings will result from improved gross margins due to improved purchasing power, rationalization of consulting and support services, and opportunities for the combined company to sell lower cost of goods sold products. The remainder of the initial cost savings will be realized as a result of operating expense reduction from sales force rationalization and product roadmap integration.

Accretive Transaction. NetScout expects the Transactions to be accretive on a non-GAAP basis in the first full year of operations.

Transaction Terms and Other Considerations. The board of directors of NetScout also considered the other facts about the Transactions and combined company, such as the fixed share nature of the merger consideration, that the Merger Agreement and the consideration to be paid by NetScout was the result of extensive arm's-length negotiation, that the Transaction would not require NetScout to deplete cash resources or incur debt, the opinion, dated October 12, 2014, of RBC Capital Markets, Inc. (RBC Capital Markets) to NetScout's board of directors as to the fairness, from a financial point of view and as of such date, to NetScout of the merger consideration, the modest changes to NetScout's governance structure and the ability of the board of directors of NetScout, subject to the payment of a termination fee, to withdraw or modify its recommendation to the NetScout stockholders to approve the issuance of the NetScout common stock in the First Merger in certain circumstances.

Q: What are the key steps of the Transactions?

A: Below is a step-by-step list illustrating the material events relating to the Separation, the Distribution and the Mergers. Each of these events is discussed in more detail elsewhere in this proxy statement.

1. **Step #1 Internal Restructuring; The Separation.** Prior to the Distribution and the First Merger, Danaher will convey to Newco or one or more subsidiaries of Newco certain assets and liabilities constituting the Communications Business, including certain subsidiaries of Danaher, and will cause any applicable subsidiary of Newco to convey to Danaher or its designated subsidiary (other than Newco or any of Newco's subsidiaries) its specified excluded assets and excluded liabilities.
2. **Step #2 The Distribution Exchange Offer and/or Spin-Off.** On the closing date of the Mergers, Danaher will distribute 100% of the Newco common units to Danaher stockholders either through an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution or in a spin-off distribution not including an exchange offer. Danaher expects for the Distribution to be effected through an exchange offer, but the ultimate structure selected will be based on market conditions. In the exchange offer, Danaher will offer its stockholders the option to exchange all or a portion of their shares of Danaher common stock for Newco common units. In the event the exchange offer is not fully subscribed, Danaher will distribute the remaining Newco common units owned by Danaher on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer.
3. **Step #3 The Mergers.** In the First Merger, Merger Sub will be merged with and into Newco, with Newco surviving as a wholly-owned subsidiary of NetScout. Immediately thereafter, in the Second

Merger, Newco will be merged with and into Merger Sub II, with Merger Sub II surviving as a wholly-owned subsidiary of NetScout. In the First Merger, each outstanding Newco common unit (except Newco common units held by Danaher, Newco, NetScout or Merger Sub) will be converted into the right to receive a number of shares of NetScout common stock equal to (x) 62.5 million shares of NetScout common stock plus the product of (A) 1.46 multiplied by (B) the number of shares of NetScout common stock issued in any acquisition after the date of the Merger Agreement and prior to the effective time of the First Merger, divided by (y) the aggregate number of Newco common units issued and outstanding as of immediately prior to the effective time of the First Merger.

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Q: What are the material U.S. federal income tax consequences to NetScout and NetScout's stockholders resulting from the Transactions?

A: NetScout will not recognize any gain or loss for U.S. federal income tax purposes as a result of the Mergers. Because NetScout stockholders will not participate in the Distribution or the Mergers, NetScout stockholders will generally not recognize gain or loss upon either the Distribution (including the exchange offer) or the Mergers. **NetScout stockholders should consult their own tax advisor for a full understanding of the tax consequences to them of the Distribution and the Mergers.** The material U.S. federal income tax consequences of the Distribution and the Mergers are described in more detail in the section of the document entitled "The Transactions: Material U.S. Federal Income Tax Consequences of the Distribution and the Mergers."

Q: What will NetScout stockholders receive in the Mergers?

A: NetScout stockholders will not directly receive any consideration in the Mergers. All shares of NetScout common stock issued and outstanding immediately before the Mergers will remain issued and outstanding after consummation of the Mergers. Immediately after the Mergers, NetScout stockholders will continue to own shares in NetScout, which will include the Communications Business.

Q: What is the estimated total value of the consideration to be paid by NetScout in the Transactions?

A: In the Mergers, NetScout expects to issue approximately 62.5 million shares of NetScout common stock, assuming no adjustment pursuant to the Merger Agreement. Based upon the reported closing sale price of \$[] per share for NetScout common stock on NASDAQ on [], the total value of the shares expected to be issued by NetScout would have been approximately \$[] billion. The value of the consideration to be paid by NetScout in the Mergers will fluctuate with the market price of NetScout common stock until the Mergers are consummated.

Q: What are the principal adverse consequences of the Transactions to NetScout stockholders?

A: Following the consummation of the Transactions, NetScout stockholders will participate in a company that holds the Communications Business, but their percentage interest in this company will be diluted. Immediately after the consummation of the Mergers, pre-First Merger NetScout stockholders are expected to own approximately 40.5% of NetScout common stock. Under limited circumstances described in the section of this document entitled "The Merger Agreement: Merger Consideration," pre-First Merger NetScout stockholders could own less than approximately 40.5% of NetScout common stock following the consummation of the Mergers and under such circumstances, there is no minimum percentage of NetScout common stock that pre-First Merger NetScout stockholders may own. Therefore, the voting power represented by the shares held by pre-First Merger NetScout stockholders will be lower immediately following the Mergers than immediately prior to the First Merger. In addition, in the event that the Distribution is structured as an exchange offer, Danaher stockholders that participate in the exchange offer

will be exchanging their shares of Danaher common stock for Newco common units at a discount to the per-share value of NetScout common stock. The existence of a discount, along with the issuance of shares of NetScout common stock pursuant to the First Merger, may negatively affect the market price of NetScout common stock. NetScout also expects to incur significant one-time costs in connection with the Transactions, including advisory, legal, accounting and other professional fees related to the Transactions, transition and integration expenses, such as consulting professionals fees, information technology implementation costs and relocation costs, that NetScout management believes are necessary to realize anticipated annualized cost synergies. The incurrence of these costs may have an adverse impact on NetScout's liquidity or operating results in the periods in which they are incurred. Finally, NetScout will be required to devote

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a significant amount of time and attention to the process of integrating the operations of NetScout and the Communications Business. If NetScout is not able to effectively manage the process, NetScout's business could suffer and its stock price may decline. In addition, the market price of NetScout common stock could decline as a result of sales of a large number of shares of NetScout common stock in the market after the consummation of the Transactions or even the perception that these sales could occur. See Risk Factors for a further discussion of the material risks associated with the Transactions.

Q: What is NetScout's dividend policy?

A: NetScout currently intends to retain its future earnings, if any, to finance the development and expansion of its business and is limited in its ability to pay cash dividends under the terms of its current credit facility. Therefore, NetScout does not intend to pay cash dividends on its common stock for the foreseeable future. Any future determination to pay dividends will be at the discretion of NetScout's board of directors and will depend on NetScout's financial condition, results of operations and capital requirements, restrictions contained in any financing instruments and such other factors as the NetScout board of directors deems relevant.

Q: What will Danaher stockholders receive in the Transactions?

A: If the Distribution is structured as an exchange offer, Danaher will offer to Danaher stockholders the right to exchange all or a portion of their shares of Danaher common stock for Newco common units. In the event the exchange offer is not fully subscribed, Danaher will distribute in the spin-off the remaining Newco common units owned by Danaher on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after the consummation of the exchange offer. If the Distribution is structured as a spin-off not including an exchange offer, Danaher will distribute in the spin-off the Newco common units owned by Danaher on a pro rata basis to Danaher stockholders. In the First Merger, the Newco common units will be converted into the right to receive NetScout common stock. Thus, each Danaher stockholder will ultimately receive shares of NetScout common stock in the Distribution and the First Merger. Danaher stockholders will not be required to pay for the Newco common units distributed in the spin-off or the shares of NetScout common stock issued in the First Merger. If the Distribution is structured as an exchange offer, Danaher stockholders will receive cash from the exchange offer agent in lieu of any fractional shares of NetScout common stock to which such stockholders would otherwise be entitled. All shares of NetScout common stock issued in the First Merger will be issued in book entry form. Calculated based on the number of outstanding shares and the closing price on NASDAQ of NetScout common stock as of [], 2015, the shares of NetScout common stock that NetScout expects to issue to Danaher stockholders as a result of the Transactions would have had a market value of approximately \$[] billion in the aggregate (the actual value will not be known until the closing date of the Mergers). For more information, see The Transactions The Separation and Distribution, The Transactions The Mergers, and The Transactions Calculation of the Merger Consideration.

Q: Are there any conditions to the consummation of the Transactions?

A: Yes. Consummation of the Transactions is subject to a number of conditions, including:

the approval of NetScout's stockholders of the issuance of shares of NetScout common stock in the First Merger;

the receipt by Danaher of the IRS Ruling (unless Danaher has not obtained the IRS Ruling by June 30, 2015, in which case the condition will be considered waived);

the receipt by Danaher of the Tax Opinion;

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the completion of the various transaction steps contemplated by the Merger Agreement and the Distribution Agreement, including the Separation and the Distribution;

clearance of the Mergers under applicable antitrust or competition laws in the United States;

the absence of any material adverse effect (as this term is described in the section of this document entitled "The Merger Agreement Representations and Warranties") on the Communications Business; and

other customary conditions.

If NetScout waives the satisfaction of a material condition to the consummation of the Transactions, NetScout will evaluate the appropriate facts and circumstances at that time and resolicit stockholder approval of the issuance of shares of NetScout common stock in the First Merger if required to do so by law.

This proxy statement describes these conditions in more detail under "The Merger Agreement Conditions to the Merger."

Q: When will the Transactions be completed?

A: NetScout and Danaher are working to complete the Mergers as quickly as possible after satisfaction of the closing conditions, including receipt of applicable regulatory approvals and receipt of NetScout stockholder approval. In addition, other important conditions to the closing of the Separation and the Mergers exist, including, among other things, the completion of the internal restructuring necessary to separate Danaher's communications assets and liabilities from Danaher's other business, the receipt of the IRS ruling unless Danaher has not obtained the IRS Ruling by June 30, 2015, in which case the condition will be considered waived, and the receipt of the Tax Opinion. It is possible that factors outside NetScout's and Danaher's control could require Danaher to complete the Separation and the Distribution and NetScout and Danaher to complete the Mergers at a later time or not complete them at all. For a discussion of the conditions to the Separation and the Mergers, see "The Transactions Regulatory Approvals" beginning on page 121, "The Merger Agreement Conditions to the Merger" beginning on page 137, and "The Distribution Agreement Conditions to the Separation" beginning on page 146.

Q: Are there risks associated with the Transactions?

A: Yes. The material risks and uncertainties associated with the Transactions are discussed in the section entitled "Risk Factors" beginning on page 29 and the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 35. Those risks include, among others, the possibility that NetScout may fail to realize the anticipated benefits of the Mergers, the uncertainty that NetScout will be able to integrate the Communications Business successfully, the possibility that NetScout may be unable to provide benefits and services or access to equivalent financial strength and resources to the Communications Business that historically have been provided by Danaher, and the substantial dilution to the ownership interest of current NetScout stockholders following the consummation of the Mergers.

Q: Will there be any change to the board of directors or the executive officers of NetScout after the Transactions?

A: Yes. Those directors of NetScout serving on its board of directors immediately before the effective time of the First Merger are expected to continue to serve as directors of NetScout immediately following the closing of the Mergers. In addition, as of immediately following the effective time of the First Merger, NetScout will increase the size of its board of directors by one member, and one

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individual selected by Danaher (which individual is currently anticipated by NetScout and Danaher to be James A. Lico, Danaher's Executive Vice President) will be appointed to fill the vacancy and will, subject to the fiduciary duties of NetScout's board of directors, be nominated for re-election at the expiration of such director's initial term. However, if Danaher's designated director: (i) is unwilling or unable to serve at the effective time of the First Merger; (ii) is unwilling or unable to serve when such new term starts; or (iii) is not nominated to serve such new term, then Danaher will designate a replacement, acceptable to NetScout in its sole discretion, for such director before the effective time of the First Merger or the start of such new term, as applicable.

Q: What stockholder approvals are needed in connection with the Transactions?

A: NetScout cannot complete the Transactions unless the proposal relating to the issuance of shares of NetScout common stock in the First Merger is approved by the affirmative vote of a majority of the shares of NetScout common stock represented and voting at the special meeting, either in person or by proxy (assuming a quorum is present). NetScout intends to hold its stockholder meeting as promptly as possible. No vote of Danaher stockholders is required or being sought in connection with the Transactions.

Q: Have any NetScout stockholders already agreed to vote for the issuance of shares of NetScout common stock in the First Merger?

A: Anil K. Singhal, NetScout's Chief Executive Officer, has agreed with Danaher to vote the shares of NetScout common stock that he owns, representing approximately 5.5% of the outstanding shares of NetScout common stock as of October 10, 2014, in favor of the issuance of shares of NetScout common stock. In addition, Danaher intends to vote the shares of NetScout common stock that Danaher owns, representing approximately 2.9% of the outstanding shares of NetScout common stock as of October 10, 2014, in favor of the issuance of shares of NetScout common stock in the First Merger.

Q: Do Danaher stockholders have to vote to approve the Transactions?

A: No.

Q: How does the NetScout board of directors recommend stockholders vote?

A: The NetScout board of directors recommends that the stockholders of NetScout vote **FOR** approval of the issuance of shares of NetScout common stock in the First Merger and, if necessary or appropriate, **FOR** the adjournment or postponement of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger.

Q: How can NetScout stockholders cast their vote?

A: The procedures for voting are fairly simple:

Holder of Record

NetScout holders of record may vote in person at the special meeting, vote by proxy over the telephone, vote by proxy through the internet, or vote by proxy by mail using the enclosed proxy card. Whether or not NetScout stockholders plan to attend the meeting, we urge each NetScout stockholder to vote by proxy to ensure its vote is counted. A NetScout stockholder may still attend the meeting in person even if it has already voted by proxy.

To vote in person, a NetScout stockholder should come to the special meeting and we will give it ballot when it arrives.

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To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly by mail in the envelope provided. If a NetScout stockholder returns a signed proxy card to us before the special meeting, we will vote that NetScout stockholder's shares as directed.

To vote over the telephone, dial the toll-free number specified on the enclosed proxy card using a touch-tone phone and follow the recorded instructions. NetScout stockholders will be asked to provide the company number and control number from the proxy card. Telephone votes must be received by 11:59 p.m. Eastern Time on [] to be counted.

To vote through the internet, go to the website specified on the enclosed proxy card to complete an electronic proxy card. NetScout stockholders will be asked to provide the company number and control number from the proxy card. Internet votes must be received by 11:59 p.m. Eastern time on [] to be counted.

Beneficial Owner

If a NetScout stockholder is a beneficial owner of shares registered in the name of a bank, broker or other nominee, that NetScout stockholder should have received a notice containing voting instructions from that organization rather than from NetScout. A NetScout stockholder should simply follow the voting instructions to ensure that its vote is counted. Alternatively, a NetScout stockholder may vote by telephone or over the internet as instructed by its bank, broker or other nominee. To vote in person at the special meeting, a NetScout stockholder must obtain a valid proxy from its bank, broker or other nominee. A NetScout stockholder should follow the instructions from its bank, broker or other nominee included with these proxy materials, or contact its bank, broker or other nominee to request a proxy form.

Q: How is a quorum determined?

A: A quorum of stockholders is necessary to conduct any business at the special meeting. A quorum will be present if a majority of the outstanding shares of our common stock entitled to vote at the special meeting are present at the meeting in person or represented by proxy. On the Record Date, there were [] shares outstanding and entitled to vote.

To determine a quorum, NetScout includes abstentions and broker non-votes. Broker non-votes occur when a beneficial owner does not give instructions to the broker, bank or other nominee as to how to vote on matters deemed non-routine. A NetScout stockholder's shares will be counted towards the quorum only if such stockholder submits a valid proxy or one is submitted on such stockholder's behalf by such stockholder's bank, broker or other nominee or if such NetScout stockholder votes in person at the meeting. If there is no quorum, the meeting may adjourn to another date.

Q: What if a NetScout stockholder does not vote on the issuance of shares of NetScout common stock in the First Merger?

A: The outcome depends on how the NetScout common stock is held and whether any vote is cast or not:
Holder of Record

if a NetScout stockholder submits a proxy to NetScout but the proxy does not indicate how it should be voted on the proposals, the proxy will be counted as a vote **FOR** the proposals;

if a NetScout stockholder submits a proxy to NetScout and the proxy indicates that the stockholder abstains from voting, it will have the same effect as a vote against the proposals;

if a NetScout stockholder fails to submit a proxy to NetScout, it will have the same effect as a vote against the proposals and that stockholder's shares will not count towards the required quorum;

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Beneficial Owner

if a NetScout stockholder does not instruct its bank, broker or other nominee as to how to vote its shares on the proposal to approve the issuance of shares of NetScout common stock in the First Merger, the bank, broker or other nominee **may not** vote such shares on this proposal because it is a non-routine matter, and the resulting broker non-vote will have no effect on this proposal; and

if a NetScout stockholder does not instruct its bank, broker or other nominee as to how to vote its shares on the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger, the bank, broker or other nominee **may not** vote such shares on this proposal because it is a non-routine matter and the resulting broker non-vote will have no effect on this proposal.

Q: If a NetScout stockholder is not going to attend the special meeting, should that stockholder return its proxy card or otherwise vote its shares?

A: Yes. Returning the proxy card by mail, voting by calling the toll-free number shown on the proxy card or voting instruction form, as applicable, or logging on to the website specified on the proxy card or voting instruction form, as applicable, ensures that the shares will be represented and voted at the special meeting, even if a NetScout stockholder will be unable to or does not attend.

Q: If a NetScout stockholder's shares are held in street name through its bank, broker or other nominee, will that bank, broker or other nominee vote those shares?

A: Banks, brokers or other nominees will vote shares of a NetScout stockholder with respect to the proposals at the special meeting only if the NetScout stockholder instructs its bank, broker or other nominee how to vote. A NetScout stockholder should follow the directions provided by its bank, broker or other nominee regarding how to instruct its bank, broker or other nominee to vote its shares. If a NetScout stockholder does not provide its bank, broker or other nominee with instructions, that bank, broker or other nominee **will not** be authorized to vote with respect to the proposal to approve the issuance of shares of NetScout common stock in the First Merger or with respect to the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of NetScout common stock in the First Merger.

Shares registered in the name of a bank, broker or other nominee may be voted in person at the special meeting by contacting the bank, broker or other nominee to request a letter confirming its beneficial ownership of the shares and that the bank, broker or other nominee will not vote the shares at the special meeting, and bringing that letter to the special meeting.

Q: Can a NetScout stockholder change its vote after submitting its proxy?

A: Yes. If a holder of record of NetScout common stock has properly completed and submitted its proxy card, the NetScout stockholder can change its vote in any of the following ways:

by sending a signed notice of revocation to the Secretary of NetScout that is received prior to the special meeting stating that the NetScout stockholder revokes its proxy;

by properly completing a new proxy card bearing a later date and properly submitting it so that it is received prior to the special meeting;

by logging onto the internet website specified on the proxy card in the same manner a stockholder would to submit its proxy electronically or by calling the toll-free number specified on the proxy card prior to the special meeting, in each case if the NetScout stockholder is eligible to do so and following the instructions on the proxy card; or

by attending the special meeting and voting in person.

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Simply attending the special meeting will not revoke a proxy. In the event of multiple online or telephone votes by a stockholder, each vote will supersede the previous vote and the last vote cast will be deemed to be the final vote of the stockholder unless such vote is revoked in person at the special meeting.

If a NetScout stockholder holds shares in street name through its bank, broker or other nominee, and has directed such person to vote its shares, it should instruct such person to change its vote, or if in the alternative a NetScout stockholder wishes to vote in person at the special meeting, it must bring to the special meeting a letter from the bank, broker or other nominee confirming its beneficial ownership of the shares and that the bank, broker or other nominee is not voting the shares at the special meeting.

Q: What should NetScout stockholders do now?

A: After carefully reading and considering the information contained in this document, NetScout stockholders should vote their shares as soon as possible so that their shares will be represented and voted at the NetScout special meeting. NetScout stockholders should follow the instructions set forth on the enclosed proxy card (or on the voting instruction form provided by the record holder if their shares are held in the name of a bank, broker or other nominee). **The NetScout board of directors recommends that the stockholders of NetScout vote FOR approval of the issuance of shares of NetScout common stock in the First Merger, and, if necessary or appropriate, FOR the adjournment or postponement of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger.**

Q: Can NetScout stockholders dissent and require appraisal of their shares?

A: No.

Q: Will the instruments that govern the rights of NetScout stockholders with respect to their shares of NetScout common stock after the Transactions be different from those that govern the rights of current NetScout stockholders?

A: No. The rights of NetScout stockholders with respect to their shares of NetScout common stock after the consummation of the Transactions will continue to be governed by federal and state laws and NetScout's governing documents, including:

the corporate law of the State of Delaware, including the Delaware General Corporation Law (the DGCL);

the Third Amended and Restated Certificate of Incorporation of NetScout Systems, Inc. (the NetScout Charter); and

the Amended and Restated Bylaws of NetScout Systems, Inc. (the NetScout Bylaws).

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Q: Who can answer my questions?

A: If NetScout stockholders have any questions about the Transactions or the special meeting, need assistance in voting their shares or need additional copies of this document, the proxy card or voting instruction form, they should contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20th floor

New York, New York 10022

Shareholders may call toll free: (888) 750-5834

Banks and Brokers may call collect: (212) 750-5833

Or

NetScout Systems, Inc.

310 Littleton Road

Westford, Massachusetts 01886

Attention: Investor Relations

Telephone: (978) 614-4000

Q: Where can I find more information about NetScout and the Communications Business?

A: NetScout stockholders can find more information about NetScout and the Communications Business in the sections of this document entitled Information on NetScout, Information on the Communications Business and from the various sources described in the section of this document entitled Where You Can Find More Information; Incorporation by Reference.

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SUMMARY

The following summary contains certain information described in more detail elsewhere in this document. It does not contain all the details concerning the Transactions, including information that may be important to you. To better understand the Transactions, you should carefully review this entire document and the documents it refers to. See Where You Can Find More Information; Incorporation by Reference.

The Companies

NetScout Systems, Inc.

NetScout Systems, Inc.

310 Littleton Road

Westford, Massachusetts 01886

Telephone: (978) 614-4000

NetScout was founded in 1984 and is headquartered in Westford, Massachusetts. NetScout is an industry leader for advanced network, application and service assurance solutions, providing high-quality performance analytics and operational intelligence solutions that facilitate the evolution toward new computing paradigms, including virtualization, mobility and cloud. NetScout designs, develops, manufactures, markets, licenses, sells and supports products focused on assuring service delivery quality, performance and availability for some of the world's largest, most demanding and complex internet protocol (IP) based service delivery environments. NetScout manufactures and markets these products in integrated hardware and software solutions that are used by commercial enterprises, large governmental agencies and telecommunication service providers worldwide.

RS Merger Sub I, Inc.

RS Merger Sub I, Inc.

c/o NetScout Systems, Inc.

310 Littleton Road

Westford, Massachusetts 01886

Telephone: (978) 614-4000

RS Merger Sub I, Inc., a Delaware corporation referred to in this document as Merger Sub, is a newly formed, direct wholly-owned subsidiary of NetScout that was organized specifically for the purpose of completing the Mergers. Merger Sub has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and in connection with the Transactions.

RS Merger Sub II, LLC

RS Merger Sub II, LLC

c/o NetScout Systems, Inc.

310 Littleton Road

Westford, Massachusetts 01886

Telephone: (978) 614-4000

RS Merger Sub II, LLC, a Delaware limited liability company referred to in this document as Merger Sub II, is a newly formed, direct wholly-owned subsidiary of NetScout that was organized specifically for the purpose of completing the Mergers. Merger Sub II has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and in connection with the Transactions.

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Danaher Corporation

Danaher Corporation

2200 Pennsylvania Ave., NW Suite 800W

Washington, DC 20037-1701

Telephone: (202) 828-0850

Danaher Corporation, referred to as Danaher, designs, manufactures and markets professional, medical, industrial and commercial products and services, which are typically characterized by strong brand names, innovative technology and major market positions. Danaher's research and development, manufacturing, sales, distribution, service and administrative facilities are located in more than 50 countries. For the 2013 fiscal year, Danaher had sales of over \$19.11 billion and approximately 66,000 employees employed globally. Danaher operates its business in five segments: Test & Measurement, Environmental, Life Sciences & Diagnostics, Dental and Industrial Technologies. For more information on Danaher, see Information on Danaher.

Potomac Holding LLC

Potomac Holding LLC

c/o Danaher Corporation

2200 Pennsylvania Ave., NW Suite 800W

Washington, DC 20037-1701

Telephone: (202) 828-0850

Potomac Holding LLC, a Delaware limited liability company referred to in this document as Newco, is a newly formed, direct wholly-owned subsidiary of Danaher that was organized specifically for the purpose of effecting the Separation. Newco has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and those incurred in connection with the Transactions.

Newco is a holding company. In the Transactions, Danaher will transfer the assets and liabilities related to the Communications Business, including certain subsidiaries of Danaher, to Newco or one of its subsidiaries. In exchange therefor, Danaher will receive all the issued and outstanding Newco common units. The Communications Business is the communications group business of Danaher conducted under the brands Tektronix Communications, Fluke Networks and Arbor Networks, and including Newco and its subsidiaries; provided, however, that the Communications Business excludes Danaher's data communications cable installation business and its communication service provider (field and test tools systems) business. For the fiscal year ended December 31, 2013, the Communications Business generated total sales of \$834,891,000 and net earnings of \$83,806,000.

The Transactions

On October 12, 2014, NetScout and Danaher agreed to enter into Transactions to effect the transfer of the Communications Business to NetScout. These Transactions provide for the Separation and the Distribution of the

Communications Business and the subsequent mergers of (a) Merger Sub with and into Newco, with Newco surviving as a wholly-owned subsidiary of NetScout and (b) Newco with and into Merger Sub II, with Merger Sub II surviving as a wholly-owned subsidiary of NetScout. In order to effect the Separation, the Distribution and the Mergers, Danaher, Newco, NetScout, Merger Sub and Merger Sub II entered into the Merger Agreement and Danaher, Newco and NetScout entered into the Distribution Agreement. In addition, Danaher, Newco, NetScout and certain of their respective affiliates have entered into, or will enter into, various ancillary agreements in connection with the Transactions. These agreements, which are described in greater detail in this document, govern the relationship among Danaher, Newco, NetScout and their respective affiliates after the Separation, the Distribution and the Mergers.

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Immediately after the Distribution and on the closing date of the Mergers, Merger Sub will merge with and into Newco, whereby the separate corporate existence of Merger Sub will cease and Newco will continue as the surviving company and as a wholly-owned subsidiary of NetScout. Afterwards, Newco will merge with and into Merger Sub II, whereby the separate corporate existence of Newco will cease and Merger Sub II will continue as the surviving company and as a wholly-owned subsidiary of NetScout. After the Mergers, NetScout will own and operate the Communications Business through Merger Sub II and will also continue its current businesses. All shares of NetScout common stock, including those issued in the First Merger, will be listed on NASDAQ under NetScout's current trading symbol NTCT.

Transaction Timeline

Below is a step-by-step list illustrating the material events relating to the Separation, the Distribution and the Mergers. Each of these events is discussed in more detail elsewhere in this document.

Step #1 Internal Restructuring; The Separation. Prior to the Distribution and the First Merger, Danaher will convey to Newco or one or more subsidiaries of Newco certain assets and liabilities constituting the Communications Business, including certain subsidiaries of Danaher, and will cause any applicable subsidiary of Newco to convey to Danaher or its designated subsidiary (other than Newco or any of Newco's subsidiaries) its specified excluded assets and excluded liabilities.

Step #2 The Distribution Exchange Offer and/or Spin-Off. On the closing date of the Mergers, Danaher will distribute 100% of the Newco common units to Danaher stockholders either through an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution or in a spin-off distribution not including an exchange offer. Danaher expects for the Distribution to be effected through an exchange offer, but the ultimate structure selected will be based on market conditions. In the exchange offer, Danaher will offer its stockholders the option to exchange all or a portion of their shares of Danaher common stock for Newco common units. In the event the exchange offer is not fully subscribed, Danaher will distribute the remaining Newco common units owned by Danaher on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer.

Step #3 The Mergers. In the First Merger, Merger Sub will be merged with and into Newco, with Newco surviving as a wholly-owned subsidiary of NetScout. Immediately thereafter, in the Second Merger, Newco will be merged with and into Merger Sub II, with Merger Sub II surviving as a wholly-owned subsidiary of NetScout. In the First Merger, each outstanding Newco common unit (except Newco common units held by Danaher, Newco, NetScout or Merger Sub) will be converted into the right to receive a number of shares of NetScout common stock equal to (x) 62.5 million shares of NetScout common stock plus the product of (A) 1.46 multiplied by (B) the number of shares of NetScout common stock issued in any acquisition after the date of the Merger Agreement and prior to the effective time of the First Merger, divided by (y) the aggregate number of Newco common units issued and outstanding as of immediately prior to the effective time of the First Merger.

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Set forth below are diagrams that graphically illustrate, in simplified form, the existing corporate structure, the corporate structure immediately following the Separation and Distribution but before the First Merger, the corporate structure immediately following the consummation of the First Merger, and the corporate structure immediately following the consummation of the Second Merger.

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The Separation and the Distribution

Prior to the First Merger, pursuant to the terms of the Distribution Agreement, Danaher will convey to Newco or one or more subsidiaries of Newco certain assets and liabilities constituting the Communications Business, and will cause any applicable subsidiary of Newco to convey to Danaher or its designated subsidiary (other than Newco or any of Newco's subsidiaries) certain excluded assets and excluded liabilities, in order to separate and consolidate the Communications Business under Newco. Immediately thereafter, Danaher will contribute all the equity interests in each subsidiary of Newco to Newco in exchange for a number of common units representing limited liability company interests in Newco, referred to herein as the Newco common units.

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On the closing date of the Mergers, Danaher will distribute 100% of the Newco common units to Danaher stockholders through either an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution or in a spin-off distribution not including an exchange offer. In the case of an exchange offer, Danaher will offer its stockholders the option to exchange all or a portion of their shares of Danaher common stock for Newco common units. In the event the exchange offer is not fully subscribed, Danaher will distribute the remaining Newco common units owned by Danaher on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer. If the Distribution is structured as a spin-off not including an exchange offer, Danaher will distribute in the spin-off the Newco common units owned by Danaher on a pro rata basis to Danaher stockholders.

An agent appointed by Danaher will hold, for the account of the relevant Danaher stockholders, the global certificate(s) representing all of the outstanding Newco common units pending the consummation of the First Merger. Newco common units will not be traded during this period.

The Mergers; Merger Consideration

Under the Merger Agreement and in accordance with the DGCL and the DLLCA, at the effective time of the First Merger, Merger Sub will merge with and into Newco. As a result of the First Merger, the separate corporate existence of Merger Sub will terminate and Newco will continue as the surviving company and as a wholly-owned subsidiary of NetScout and will succeed to and assume all the rights, powers and privileges and be subject to all of the obligations of Merger Sub in accordance with the DGCL and the DLLCA. The certificate of formation and the limited liability company operating agreement of Newco in effect immediately prior to the First Merger will be amended and restated in their entirety following the consummation of the First Merger. Immediately following the First Merger, Newco will merge with and into Merger Sub II. As a result of the Second Merger, the separate corporate existence of Newco will terminate and Merger Sub II will continue as the surviving company and as a wholly-owned subsidiary of NetScout and will succeed to and assume all the rights, powers and privileges and be subject to all of the obligations of Newco in accordance with the DLLCA.

The Merger Agreement provides that, at the effective time of the First Merger, each issued and outstanding Newco common unit (except Newco common units held by Danaher, NetScout, Merger Sub or Newco) will be automatically converted into a number of shares of NetScout common stock equal to (x) 62.5 million shares of NetScout common stock plus the product of (A) 1.46 multiplied by (B) the number of shares of NetScout common stock issued in any acquisition by NetScout prior to the effective time of the First Merger divided by (y) the aggregate number of Newco common units issued and outstanding immediately prior to the effective time of the First Merger. Prior to the consummation of the Distribution, Newco will authorize the issuance of a number of Newco common units such that the total number of Newco common units outstanding immediately prior to the First Merger will be that number that results in the exchange ratio in the First Merger equaling one and, as a result, each Newco common unit (except Newco common units held by Danaher, Newco, NetScout or Merger Sub) will be converted into one share of NetScout common stock in the First Merger. The calculation of the merger consideration as set forth in the Merger Agreement is expected to result, prior to the elimination of fractional shares, in Newco's members immediately prior to the merger collectively holding approximately 59.5% of the outstanding equity interests of NetScout on a fully-diluted basis immediately following the First Merger and NetScout's stockholders immediately prior to the First Merger collectively holding approximately 40.5% of such equity interests on a fully-diluted basis.

No fractional shares of NetScout common stock will be issued pursuant to the First Merger. Any holder of Newco common units who would otherwise be entitled to receive a fraction of a share of NetScout common stock (after aggregating all fractional shares issuable to such holder) shall, in lieu of such fraction of a share, be paid in cash the dollar amount (rounded to the nearest whole cent), after deducting any required withholding taxes, on a pro rata basis,

without interest, determined by multiplying such fraction by the closing price of a share of NetScout common stock on NASDAQ on the last business day prior to the closing of the First Merger.

Table of Contents**SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA**

The following summary combined financial data of the Communications Business and summary consolidated financial data of NetScout are being provided to help you in your analysis of the financial aspects of the Transactions. You should read this information in conjunction with the financial information included elsewhere and incorporated by reference into this document. See [Where You Can Find More Information](#); [Incorporation by Reference](#),

[Management's Discussion and Analysis of Financial Condition and Results of Operations for the Communications Business](#), [Information on the Communications Business](#), [Information on NetScout](#), and [Selected Historical and Pro Forma Financial Data](#).

Summary Historical Combined Financial Data of the Communications Business

Newco is a newly-formed holding company organized for the purpose of holding the Communications Business and consummating the Transactions with NetScout. The following data, insofar as it relates to each of the years 2011 through 2013, has been derived from annual financial statements, including the combined balance sheets at December 31, 2013 and December 31, 2012 and the related combined statements of earnings for each of the three years in the period ended December 31, 2013 and notes thereto appearing elsewhere herein. The data as of December 31, 2011 and as of and for the years ended December 31, 2010 and December 31, 2009 has been derived from unaudited combined financial information not included or incorporated by reference into this document. The data as of and for the nine months ended September 26, 2014 and September 27, 2013 has been derived from unaudited combined condensed financial statements included herein and is not necessarily indicative of the results or financial condition for the remainder of the year or any future period. This information is only a summary and you should read the table below in conjunction with [Management's Discussion and Analysis of Financial Condition and Results of Operations for the Communications Business](#) and the financial statements of the Communications Business and the notes thereto included elsewhere in this document (\$ in thousands).

	Nine Months Ended		Year Ended December 31				
	September 26, 2014	September 27, 2013	2013	2012	2011	2010	2009
Sales							
Product	\$ 399,191	\$ 457,285	\$ 623,632	\$ 594,770	\$ 483,782	\$ 367,141	\$ 284,095
Service	167,625	154,237	211,259	190,968	185,497	121,204	92,584
Total sales	\$ 566,816	\$ 611,522	\$ 834,891	\$ 785,738	\$ 669,279	\$ 488,345	\$ 376,679
Earnings before income taxes	51,170	112,313	116,598	157,881	106,722	43,707	8,506
Net earnings	35,194	80,128	83,806	103,798	74,371	28,028	5,571
Total assets	\$ 1,189,415	\$ 1,168,640	\$ 1,235,903	\$ 1,185,543	\$ 998,760	\$ 1,047,998	\$ 774,961

Summary Historical Consolidated Financial Data of NetScout

The following summary historical consolidated financial data of NetScout for the years ended March 31, 2014, 2013 and 2012, and as of such dates, has been derived from NetScout's audited consolidated financial statements as of and for the years ended March 31, 2014, 2013 and 2012. The following summary historical consolidated financial data as of and for the six-month periods ended September 30, 2014 and 2013 has been derived from the unaudited consolidated financial statements of NetScout and is not necessarily indicative of the results or financial condition to

be expected for the remainder of the year or for any future period. NetScout's management believes that the unaudited consolidated financial statements reflect all adjustments, consisting of normal recurring

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adjustments, necessary for the results and the financial condition as of and for the interim periods presented to be fairly stated. This information is only a summary and should be read in conjunction with the financial statements of NetScout and the notes thereto and the Management's Discussion and Analysis of Financial Condition and Results of Operations section contained in NetScout's annual report on Form 10-K for the year ended March 31, 2014 and quarterly report on Form 10-Q for the period ended September 30, 2014, each of which is incorporated by reference into this document. See [Where You Can Find More Information; Incorporation by Reference](#).

	As of and for the Six Months Ended September 30,		As of and for the Year Ended March 31,		
	2014	2013	2014	2013	2012
(In thousands, except per share data)					
Results of Operations:					
Revenue:					
Product	\$ 122,319	\$ 95,334	\$ 234,268	\$ 198,749	\$ 168,141
Service	89,132	78,568	162,379	151,801	140,538
Total revenue	211,451	173,902	396,647	350,550	308,679
Cost of revenue:					
Product	26,705	21,583	51,219	45,752	39,271
Service	17,486	15,043	33,294	28,256	26,401
Total cost of revenue	44,191	36,626	84,513	74,008	65,672
Gross profit	167,260	137,276	312,134	276,542	243,007
Operating expenses:					
Research and development	38,008	32,603	70,454	61,546	49,478
Sales and marketing	69,468	63,759	129,611	116,807	109,624
General and administrative	19,820	14,438	30,623	29,718	27,488
Amortization of acquired intangible assets	1,718	1,711	3,432	2,877	2,131
Restructuring charges				1,065	603
Total operating expenses	129,014	112,511	234,120	212,013	189,324
Income from operations	38,246	24,765	78,014	64,529	53,683
Interest and other expense, net	(674)	(132)	(158)	(793)	(2,765)
Income before income tax expense	37,572	24,633	77,856	63,736	50,918
Income tax expense	14,863	9,497	28,750	23,127	18,490
Net income	\$ 22,709	\$ 15,136	\$ 49,106	\$ 40,609	\$ 32,428
Basic net income per share	\$ 0.55	\$ 0.37	\$ 1.19	\$ 0.97	\$ 0.77
Diluted net income per share	\$ 0.54	\$ 0.36	\$ 1.17	\$ 0.96	\$ 0.76

Financial Highlights:

Cash, cash equivalents and short and long-term marketable securities	\$ 217,311	\$ 159,449	\$ 218,794	\$ 154,091	\$ 213,516
Total assets	\$ 591,541	\$ 541,401	\$ 607,763	\$ 552,176	\$ 567,757
Debt	\$	\$	\$	\$	\$ 62,000
Total stockholders equity	\$ 412,622	\$ 382,787	\$ 409,161	\$ 371,903	\$ 342,369

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	As of and for the Six Months Ended September 30,		As of and for the Year Ended March 31,		
	2014	2013	2014	2013	2012
(In thousands, except per share data)					
Cash Flow Data:					
Cash from operating activities	\$ 28,990	\$ 27,101	\$ 110,946	\$ 95,412	\$ 68,307
Purchases of fixed assets	\$ (4,016)	\$ (6,355)	\$ (13,066)	\$ (11,671)	\$ (11,088)
Purchases of intangible assets	\$ (92)	\$ (153)	\$ (1,086)	\$ (277)	\$ (200)
Non-GAAP free cash flow	\$ 24,882	\$ 20,593	\$ 96,794	\$ 83,464	\$ 57,019
Other Selected Data:					
Weighted average common shares outstanding basic	41,071	41,398	41,366	41,665	42,035
Weighted average common shares outstanding diluted	41,732	42,004	41,955	42,322	42,750
Non-GAAP revenue(1)	\$ 211,469	\$ 174,181	\$ 397,205	\$ 351,765	\$ 308,991
Non GAAP net income(1)	\$ 31,839	\$ 22,977	\$ 64,218	\$ 56,014	\$ 46,970
Non-GAAP net income per share(1)	\$ 0.76	\$ 0.55	\$ 1.53	\$ 1.32	\$ 1.10

(1) For the reconciliation of GAAP to non-GAAP revenue, GAAP to non-GAAP net income, and GAAP to non-GAAP net income per share, see Selected Historical Consolidated Financial Data of NetScout.

Summary Unaudited Combined Pro Forma Financial Data of NetScout and the Communications Business

The following summary unaudited pro forma combined financial information of NetScout and the Communications Business is being presented for illustrative purposes only, and this information should not be relied upon for purposes of making any investment or other decisions. The following summary unaudited pro forma combined financial data assumes that the Communications Business had been owned by NetScout for all periods, and at the date presented. NetScout and the Communications Business may have performed differently had they actually been combined for all periods or on the date presented. You should also not rely on the following summary unaudited pro forma combined financial data as being indicative of the results or financial condition that would have been achieved had NetScout and the Communications Business been combined other than during the periods or on the date presented or of the actual future results or financial condition of NetScout to be achieved following the Transactions.

	As of and for the Six Months Ended September 30, 2014	As of and for the Year Ended March 31, 2014
(In thousands, except per share data)		

Results of Operations:**Revenue:**

Product	\$ 350,086	\$ 843,658
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Service	191,342	335,931
Total revenue	541,428	1,179,589
Cost of revenue		
Product	129,001	282,293
Service	43,142	81,806
Total cost of revenue	172,143	364,099
Gross profit	369,285	815,490

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	As of and for the Six Months Ended September 30, 2014	As of and for the Year Ended March 31, 2014
	(In thousands, except per share data)	
Operating expenses:		
Research and development	120,672	220,149
Sales and marketing	163,994	308,033
General and administrative	57,871	133,113
Amortization of acquired intangible assets	37,479	47,311
Restructuring charges		
Impairment of intangible assets		31,063
Total operating expenses	380,016	739,669
Income from operations	(10,731)	75,821
Total other income (expense)	(674)	(158)
Income (loss) before income tax expense	(11,405)	75,663
Income tax expense	(4,362)	16,402
Net income (loss)	(7,043)	59,261
Per share information:		
Basic net income per share:	\$ (0.07)	\$ 0.57
Diluted net income per share:	\$ (0.07)	\$ 0.57
Weighted average common shares outstanding used in computing		
Net income per share - Basic	103,571	103,866
Net income per share - Diluted	103,571	104,497

September 30, 2014
(In thousands, except per share data)

Financial Highlights:	
Cash and cash equivalents and short and long-term marketable securities	\$ 222,828
Total Assets	\$ 3,590,545
Debt	\$
Total stockholders' equity	\$ 2,786,213

Summary Comparative Historical and Pro Forma Per Share Data

The following table sets forth certain historical and pro forma per share data for NetScout. The historical data has been derived from and should be read together with NetScout's audited consolidated financial statements and related notes thereto contained in NetScout's annual report on Form 10-K for the fiscal year ended March 31, 2014, and NetScout's unaudited consolidated financial statements and related notes thereto contained in NetScout's quarterly report on Form 10-Q for the period ended September 30, 2014, each of which are incorporated by reference into this document. See

Where You Can Find More Information; Incorporation by Reference. The pro forma data has been derived from the unaudited pro forma combined financial statements of NetScout and the Communications Business included elsewhere in this document.

This summary comparative historical and pro forma per share data is being presented for illustrative purposes only. NetScout and the Communications Business may have performed differently had the Transactions occurred prior to the periods or at the date presented. You should not rely on the pro forma per share data presented as being indicative of the results that would have been achieved had NetScout and the Communications

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Business been combined during the periods or at the date presented or of the actual future results or financial condition of NetScout or the Communications Business to be achieved following the Transactions.

(shares in thousands)	As of and for the Six Months Ended September 30, 2014		As of and for the Year Ended March 31, 2014	
	Historical	Pro Forma	Historical	Pro Forma
Basic earnings per share	\$ 0.55	\$ (0.07)	\$ 1.19	\$ 0.57
Diluted earnings per share	\$ 0.54	\$ (0.07)	\$ 1.17	\$ 0.57
Weighted average common shares outstanding Basic	41,071	103,571	41,366	103,866
Weighted average common shares outstanding Diluted	41,732	103,571	41,955	104,497
Book value per share of common stock	\$ 10.02	\$ 26.87	\$ 9.94	Not available

Historical Common Stock Market Price Data

Historical market price data for Newco has not been presented because the Communications Business is currently operated by Danaher and there is no established trading market in Newco Common Units. Shares of Newco Common Units do not currently trade separately from Danaher common stock.

Shares of NetScout common stock currently trade on NASDAQ under the symbol NTCT. On October 10, 2014, the last trading day before the announcement of the Transactions, the last sale price of NetScout's common stock reported by NASDAQ was \$41.91. On [], 2015, the last trading day prior to the date of this document, the last sale price of NetScout common stock reported by NASDAQ was \$ [].

The following table sets forth for the periods indicated, the high and low sale prices of NetScout common stock on NASDAQ. The quotations are as reported in published financial sources.

	NetScout Common Stock	
	High	Low
Calendar Year Ending December 31, 2015		
First Calendar Quarter (through January 6, 2015)	\$ 37.12	\$ 34.20
Calendar Year Ending December 31, 2014		
First Calendar Quarter	\$ 39.10	\$ 28.64
Second Calendar Quarter	\$ 44.54	\$ 33.30
Third Calendar Quarter	\$ 48.13	\$ 41.15
Fourth Calendar Quarter (through December 1, 2014)	\$ 46.17	\$ 31.59
Calendar Year Ended December 31, 2013		
First Calendar Quarter	\$ 28.28	\$ 23.74
Second Calendar Quarter	\$ 24.92	\$ 21.22
Third Calendar Quarter	\$ 27.55	\$ 23.22
Fourth Calendar Quarter	\$ 30.76	\$ 24.04
Calendar Year Ended December 31, 2012		
First Calendar Quarter	\$ 22.49	\$ 15.72

Second Calendar Quarter	\$ 21.85	\$ 17.75
Third Calendar Quarter	\$ 26.59	\$ 18.96
Fourth Calendar Quarter	\$ 26.31	\$ 23.05

NetScout Dividend Policy

NetScout currently intends to retain its future earnings, if any, to finance the development and expansion of its business and is limited in its ability to pay cash dividends under the terms of its current credit facility. Therefore, NetScout does not intend to pay cash dividends on its common stock for the foreseeable future. Any future determination to pay dividends will be at the discretion of NetScout's board of directors and will depend on NetScout's financial condition, results of operations and capital requirements, restrictions contained in any financing instruments and such other factors as the NetScout board of directors deems relevant.

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RISK FACTORS

You should carefully consider the following risks, together with the other information contained or incorporated by reference in this document and the annexes hereto. Some of the risks described below relate principally to the business and the industry in which NetScout, including the Communications Business, will operate after the Transactions, while others relate principally to the Transactions. The remaining risks relate principally to the securities markets generally and ownership of shares of NetScout common stock. For a discussion of additional uncertainties associated with forward-looking statements in this document, please see the section entitled

Cautionary Statement Concerning Forward-Looking Statements. In addition, you should consider the risks associated with NetScout's business that appear in NetScout's Annual Report on Form 10-K for the year ended March 31, 2014 and NetScout's Quarterly Report on Form 10-Q for the period ended September 30, 2014, which are incorporated by reference into this document.

Risks Related to the Transactions

The calculation of the merger consideration will not be adjusted if the value of the business or assets of the Communications Business declines or if the value of NetScout increases before the Mergers are completed.

The calculation of the number of shares of NetScout common stock to be distributed in the Mergers will not be adjusted if the value of the business or assets of the Communications Business declines prior to the consummation of the Mergers or the value of NetScout increases prior to the Mergers. NetScout will not be required to consummate the Mergers if there has been any material adverse effect (as this term is described in the section of this document entitled

The Merger Agreement Representations and Warranties) on the Communications Business. However, NetScout will not be permitted to terminate the Merger Agreement or resolicit the vote of NetScout stockholders because of any changes in the market prices of NetScout's common stock or any changes in the value of the Communications Business that do not constitute a material adverse effect on the Communications Business.

Upon completion of the Transactions, NetScout will incur significant expenses in connection with the integration of the Communications Business.

Upon completion of the Transactions, NetScout expects to incur significant expenses in connection with the integration of the Communications Business, including integrating products and technology, personnel, information technology systems, accounting systems, suppliers, and channel partners of each business and implementing consistent standards, policies, and procedures, and may possibly be subject to material write downs in assets and charges to earnings, which may include severance pay and other costs.

NetScout will assume certain non-U.S. pension benefit obligations associated with the Communications Business. Future funding obligations related to these liabilities could restrict cash available for NetScout's operations, capital expenditures or other requirements, or require NetScout to borrow additional funds.

In the Transactions, NetScout will assume certain funded and unfunded non-U.S. pension obligations related to non-U.S. employees of the Communications Business who become employees of Newco to the extent the assumption is required by applicable law. In connection therewith, Danaher will transfer to NetScout all assets set aside by Danaher to fund such non-U.S. pension obligations related to the Communications Business. If the non-U.S. pension liabilities transferred by Danaher exceed the assets transferred by Danaher, Danaher is obligated to transfer an amount of cash to NetScout equal to the difference between the non-U.S. pension liabilities transferred and the assets transferred. The transfers of assets and non-U.S. pension liabilities will be governed by applicable law, provided that if the mechanism for the transfers is not mandated by applicable law, the assets and liabilities will be transferred on a

projected benefit obligation basis in accordance with GAAP.

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Funding obligations with respect to non-U.S. pension plans change due to, among other things, the actual investment return on plan assets. Continued volatility in the capital markets may have a further negative impact on the funded status of the non-U.S. pension plans, which may in turn increase attendant funding obligations. Changing economic conditions, poor pension investment returns or other factors may require NetScout to make substantial cash contributions to the pension plans in the future, preventing the use of increased cash contributions for other purposes and adversely affecting NetScout's liquidity.

While NetScout intends to comply with any future funding obligations for its non-U.S. pension benefit plans through the use of cash from operations, there can be no assurance that NetScout will generate enough cash to do so and also meet its other required or intended cash uses. NetScout's inability to fund these obligations through cash from operations could require it to seek funding from other sources, including through additional borrowings, which could materially increase NetScout's outstanding debt or debt service requirements.

Current NetScout stockholders' ownership interest in NetScout will be substantially diluted in the Mergers.

Following the consummation of the Mergers, NetScout's stockholders will, in the aggregate, own a significantly smaller percentage of NetScout than they will own of NetScout immediately prior to the Mergers. Following the consummation of the Mergers, NetScout's stockholders immediately prior to the Mergers are expected to collectively hold no more than approximately 40.5% of NetScout's common stock immediately after the Mergers. Consequently, NetScout's current stockholders, as a group, will be able to exercise less influence over the management and policies of NetScout following the Mergers than they will exercise over the management and policies of NetScout immediately prior to the Mergers.

Sales of NetScout common stock after the Transactions may negatively affect the market price of NetScout common stock.

The shares of NetScout common stock to be issued in the Transactions to holders of Newco common units will generally be eligible for immediate resale. The market price of NetScout common stock could decline as a result of sales of a large number of shares of NetScout common stock in the market after the consummation of the Transactions or even the perception that these sales could occur.

It is expected that immediately after consummation of the First Merger, pre-First Merger holders of Newco common units will hold approximately 59.5% of NetScout's common stock on a fully-diluted basis and NetScout's existing stockholders will hold approximately 40.5% of NetScout's common stock on a fully-diluted basis, subject to potential adjustment under limited circumstances as described in the section of this document entitled "The Merger Agreement Merger Consideration." Currently, Danaher stockholders may include index funds that have performance tied to certain stock indices, and institutional investors subject to various investing guidelines. Because NetScout may not be included in these indices following the consummation of the Transactions or may not meet the investing guidelines of some of these institutional investors, these index funds and institutional investors may decide to or may be required to sell the NetScout common stock that they receive in the Transactions. In addition, the investment fiduciaries of Danaher's defined contribution and defined benefit plans may decide to sell any NetScout common stock that the trusts for these plans receive in the Transactions, or may decide not to participate in the exchange offer, if applicable, in response to their fiduciary obligations under applicable law. These sales, or the possibility that these sales may occur, may also make it more difficult for NetScout to obtain additional capital by selling equity securities in the future at a time and at a price that it deems appropriate.

The historical financial information of the Communications Business may not be representative of its results or financial condition if it had been operated independently of Danaher and, as a result, may not be a reliable

indicator of its future results.

The Communications Business is currently operated by Danaher. Consequently, the financial information of the Communications Business included in this document has been derived from the consolidated financial

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statements and accounting records of the Communications Business and reflects all direct costs as well as assumptions and allocations made by management of Danaher. The financial position, results of operations and cash flows of the Communications Business presented may be different from those that would have resulted had the Communications Business been operated independently of Danaher during the applicable periods or at the applicable dates. For example, in preparing the financial statements of the Communications Business, Danaher made allocations of costs and Danaher corporate expenses deemed to be attributable to the Communications Business. However, these costs and expenses reflect the costs and expenses attributable to the Communications Business operated as part of a larger organization and do not necessarily reflect costs and expenses that would be incurred by the Communications Business had it been operated independently. As a result, the historical financial information of the Communications Business may not be a reliable indicator of future results.

NetScout's business, financial condition and results of operations may be adversely affected following the Transactions if NetScout cannot negotiate terms that are as favorable as those Danaher has received when NetScout replaces contracts after the closing of the Transactions.

Prior to consummation of the Transactions, certain functions (such as purchasing, information systems, sales, logistics and distribution) for the Communications Business are generally being performed under centralized systems that will not be transferred to NetScout and, in some cases, under contracts that are also used for Danaher's other businesses and which are not intended to be assigned to NetScout with the Communications Business. In addition, some other contracts that Danaher or its subsidiaries are a party to on behalf of the Communications Business require consents of third parties to assign them to Newco. While Danaher, under the Transition Services Agreement, will agree to provide NetScout with certain services, there can be no assurance that NetScout will be able to obtain those consents or negotiate terms that are as favorable as those Danaher received when and if NetScout replaces these services with its own agreements for similar services. Although NetScout believes that it will be able to obtain any such consents or enter into new agreements for similar services, it is possible that the failure to obtain consents for or replace a significant number of these agreements for any of these services or to replace them on terms that are as favorable as those Danaher has received could have a material adverse impact on NetScout's business, financial condition and results of operations following the Transactions.

The Distribution could result in significant tax liability, and NetScout may be obligated to indemnify Danaher for any such tax liability imposed on Danaher.

Danaher will receive the Tax Opinion from Skadden to the effect that the Distribution offer will qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code and that the Mergers will qualify as a tax-free transaction under Section 368(a)(1)(A) of the Code. Assuming that the Distribution and the Mergers so qualify, for U.S. federal income tax purposes, no gain or loss will be recognized by a holder of Danaher common stock upon the receipt of Newco common units in the Distribution or upon the exchange of Newco common units for NetScout common stock pursuant to the First Merger other than with respect to cash received in lieu of fractional shares, and Danaher will not recognize gain or loss with respect to the transfer of Newco units pursuant to the Distribution. Danaher also intends to seek a ruling from the IRS regarding certain issues relevant to the qualification of the Distribution and certain other aspects of the Separation for tax-free treatment for U.S. federal income tax purposes.

Although the IRS ruling, if received, will generally be binding on the IRS, the continuing validity of such ruling will be subject to the accuracy of factual representations and assumptions made in the ruling request. Also, as part of the IRS's general policy with respect to rulings on spin-off and split-off transactions (including the Distribution), the IRS will not rule on the overall qualification of the transaction for tax-free treatment, but instead only on certain significant issues related thereto. As a result of this IRS policy, Danaher will obtain the opinion of counsel described above. The opinion will be based upon various factual representations and assumptions, as well as certain undertakings made by

Danaher and Newco. If any of those factual representations or assumptions are untrue or incomplete in any material respect, any undertaking is not complied with, or the

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facts upon which the opinion will be based are materially different from the facts at the time of the Distribution, the Distribution may not qualify for tax-free treatment. Opinions of counsel are not binding on the IRS. As a result, the conclusions expressed in the opinion of counsel could be challenged by the IRS, and if the IRS prevails in such challenge, the tax consequences to Danaher and its stockholders could be materially unfavorable.

If the Distribution were determined not to qualify for non-recognition of gain and loss under Sections 355 and 368(a)(1)(D) of the Code, Danaher would generally recognize gain with respect to the transfer of Newco common units in the Distribution.

The Distribution and certain aspects of the Separation could be taxable to Danaher if Newco, its unit holders, NetScout or NetScout's stockholders were to engage in a Disqualifying Action. In such cases, under the Tax Matters Agreement, Newco and NetScout will be required to indemnify Danaher against any taxes resulting from the Distribution or certain aspects of the Separation that arise as a result of a Disqualifying Action. If Danaher were to recognize gain on the Distribution or certain aspects of the Separation for reasons not related to a Disqualifying Action by Newco or NetScout, Danaher would not be entitled to be indemnified under the Tax Matters Agreement and the resulting tax to Danaher could have a material adverse effect on Danaher. If Newco or NetScout were required to indemnify Danaher as a result of the Distribution or certain aspects of the Separation being taxable, this indemnification obligation would likely be substantial and could have a material adverse effect on NetScout, including with respect to its financial condition and results of operations.

NetScout is required to abide by potentially significant restrictions which could limit NetScout's ability to undertake certain corporate actions (such as the issuance of NetScout common stock or the undertaking of a merger or consolidation) that otherwise could be advantageous.

To preserve the tax-free treatment to Danaher and/or its stockholders of the Distribution and certain related transactions, under the Tax Matters Agreement, NetScout is restricted from taking any action that prevents such transactions from being tax-free for U.S. federal income tax purposes. These restrictions may limit NetScout's ability to pursue certain strategic transactions or engage in other transactions, including using NetScout common stock to make acquisitions and in connection with equity capital market transactions that might increase the value of NetScout's business. See Additional Material Agreements Tax Matters Agreement for a detailed description of these restrictions.

Failure to consummate the Transactions could adversely impact the market price of NetScout's common stock as well as NetScout's business, financial condition and results of operations.

If the Transactions are not completed for any reason, the price of NetScout's common stock may decline. In addition, NetScout may be subject to additional risks, including:

depending on the reasons for and the timing of the termination of the Merger Agreement, the requirement in the Merger Agreement that NetScout pay Danaher a termination fee of \$55 million or reimburse Danaher for certain out-of-pocket costs relating to the Transactions;

substantial costs related to the Transactions, such as legal, accounting, regulatory filing, financial advisory and financial printing fees, which must be paid regardless of whether the Transactions are completed; and

The Merger Agreement contains provisions that may discourage other companies from trying to acquire NetScout. In addition, NetScout will have more shares of its common stock outstanding after the Transactions, which may

discourage other companies from trying to acquire NetScout.

The Merger Agreement contains provisions that may discourage a third-party from submitting a business combination proposal to NetScout prior to the closing of the Transactions that might result in greater value to

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NetScout stockholders than the Transactions. For example, the Merger Agreement generally prohibits NetScout from soliciting any takeover proposal. In addition, if the Merger Agreement is terminated by NetScout or Danaher in circumstances that obligate NetScout to pay a termination fee or to reimburse transaction expenses to Danaher, NetScout's liquidity or financial condition may be materially adversely affected as a result of such payment, and the requirement to make such a payment might deter third parties from proposing alternative business combination proposals. In addition, the Merger Agreement requires that NetScout seek stockholder approval for the issuance of shares of NetScout common stock in the Merger, even if the NetScout board of directors changes its recommendation regarding the issuance of shares of NetScout common stock in the Merger.

NetScout expects to issue 62.5 million shares of its common stock as part of the Transactions, assuming no adjustments pursuant to the Merger Agreement. Because NetScout will be a significantly larger company and have significantly more shares of its common stock outstanding after the Transactions, an acquisition of NetScout may become more expensive. As a result, some companies may not seek to acquire NetScout, and the reduction in potential parties that may seek to acquire NetScout could negatively impact the prices at which NetScout's common stock trades.

NetScout's estimates and judgments related to the acquisition accounting models used to record the purchase price allocation may be inaccurate.

Management will make significant accounting judgments and estimates for the application of acquisition accounting under US generally accepted accounting principles, and the underlying valuation models. NetScout's business, operating results and financial condition could be materially and adversely impacted in future periods if NetScout's accounting judgments and estimates related to these models prove to be inaccurate.

NetScout may be required to recognize impairment charges for goodwill and other intangible assets.

The proposed transaction will add approximately \$2.7 billion of goodwill and other intangible assets to NetScout's consolidated balance sheet. In accordance with US generally accepted accounting principles, management periodically assesses these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to NetScout's business, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of the assets, divestitures and market capitalization declines may impair goodwill and other intangible assets. Any charges relating to such impairments would adversely affect results of operations in the periods recognized.

Other Risks that Relate to NetScout, Including the Communications Business, After the Transactions

NetScout's failure to successfully integrate the Communications Business into its business within its expected timetable could adversely affect the combined company's future results and the market price of NetScout's common stock following the completion of the Transactions.

The success of the Transactions will depend, in large part, on NetScout's ability, as a combined company following the completion of the Transactions to realize the anticipated benefits and on the sales and profitability of the combined company. To realize these anticipated benefits, the combined company must successfully integrate its respective businesses. This integration will be complex and time-consuming. The failure to successfully integrate and manage the challenges presented by the integration process may result in NetScout's failure to achieve some or all of the anticipated benefits of the Transactions.

Potential difficulties that may be encountered in the integration process include the following:

Lost sales and customers as a result of customers of NetScout s or the Communications Business deciding not to do business with the combined company;

Complexities associated with managing the larger, more complex, combined business;

Integrating personnel of NetScout s and the Communications Business while maintaining focus on providing consistent, high quality products and service to customers;

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The loss of key employees; and

Potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the Transactions.

If any of these events were to occur, NetScout's ability to maintain relationships with customers, channel partners, suppliers and employees or NetScout's ability to achieve the anticipated benefits of the Transactions could be adversely affected, or could reduce NetScout's sales or earnings or otherwise adversely affect NetScout's business and financial results after the Transactions and, as a result, adversely affect the market price of NetScout's common stock.

The success of the combined company will also depend on relationships with third parties and pre-existing customers and channel partners of NetScout and the Communications Business, which relationships may be affected by customer, channel partner or third-party preferences or public attitudes about the Transactions. Any adverse changes in these relationships could adversely affect the combined company's business, financial condition or results of operations.

The combined company's success will depend on NetScout's ability to maintain and renew relationships with pre-existing customers, channel partners, suppliers, and other third-parties of both NetScout and the Communications Business and NetScout's ability to establish new relationships. There can be no assurance that the business of the combined company will be able to maintain and renew pre-existing contracts and other business relationships, or enter into or maintain new contracts and other business relationships, on acceptable terms, if at all. The failure to maintain important business relationships could have a material adverse effect on NetScout's business, financial condition or results of operations as a combined company.

The growth of the combined company could suffer if the markets into which the combined company sells its products and services experience cyclical.

The growth of the combined company will depend in part on the growth of the markets which the Communications Business serves. The Communications Business serves certain industries that have historically been cyclical and have experienced periodic downturns that have had a material adverse impact on demand for the products, software and services that the Communications Business offers. Any of these factors could adversely affect the business, financial condition and results of operations of the combined company in any given period.

Defects, quality issues, inadequate disclosure or misuse with respect to the products, software or services of the combined company could adversely affect the business, reputation and financial statements of the combined company.

Defects in, quality issues with respect to or inadequate disclosure of risks relating to the use of the combined company's products, software and services, or the misuse of the combined company's products, software and services, could lead to lost profits and other economic damage, property damage, violation of privacy rights, personal injury or other liability resulting in third party claims, criminal liability, significant costs, damage to its reputation and loss of business. Any of these factors could adversely affect the business, financial condition and results of operations of the combined company.

International economic, political, legal, compliance and business factors could negatively affect the financial statements and growth of the combined company.

The Communications Business derives significant sales from customers outside the U.S. and certain manufacturing operations, suppliers and employees of the Communications Business are located outside the U.S. The Communications Business expects to continue to increase its sales and presence outside the U.S., particularly in the high-growth markets. The Communications Business international business (and particularly its business in high-growth markets) is subject to risks that are customarily encountered in non-U.S. operations, any of which could negatively affect the business, financial condition and results of operations of the combined company.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This document (including information included or incorporated by reference herein) contains certain statements relating to future events and NetScout's intentions, beliefs, expectations and predictions for the future, including, but not limited to, statements concerning future business conditions and prospects, growth opportunities and estimates of growth, the outlook for NetScout's business, the expected benefits of the Transactions, integration plans and expected synergies therefrom and the expected timing of consummation of the Transactions described in this document based upon information currently available. Any such statements, other than statements of historical fact, are forward-looking statements. Wherever possible, these forward-looking statements have been identified by words such as will, may, anticipates, believes, intends, estimates, expects, projects, plans, targets, forecasts, etc. These forward-looking statements are based upon current assumptions and expectations of NetScout's management. Such forward-looking statements are subject to risks and uncertainties that could cause NetScout's actual results, performance and achievements to differ materially from those expressed in, or implied by, these statements included in this document. These risks and uncertainties include risks relating to:

NetScout's ability to obtain requisite stockholder approval to complete the Transactions;

Danaher being unable to obtain the IRS Ruling and other regulatory approvals required to complete the Transactions, or such required approvals delaying the Transactions or resulting in the imposition of conditions that could have a material adverse effect on the combined company or causing the companies to abandon the Transactions;

other conditions to the closing of the Transactions not being satisfied;

a material adverse change, event or occurrence affecting NetScout or the Communications Business prior to the closing of the Transactions delaying the Transactions or causing the companies to abandon the Transactions;

problems arising in successfully integrating the Communications Business and NetScout, which may result in the combined company not operating as effectively and efficiently as expected;

the possibility that the Transactions may involve other unexpected costs, liabilities or delays;

the possibility that there may be delays in consummating the Transactions, or the Transactions may not be consummated at all;

the possibility that the failure to complete the Transactions could adversely affect the market price of NetScout common stock as well as NetScout's business, financial condition and results of operations;

the possibility that if completed, the Transactions may not be successful or achieve their anticipated benefits;

the business of NetScout being negatively impacted as a result of uncertainty surrounding the Transactions;

disruptions from the Transactions harming relationships with customers, employees or suppliers;

dependence upon broad-based acceptance of the combined company's products and services;

the presence of competitors with greater financial resources than the combined company and their strategic response to the combined company's products;

the possibility that conditions of the capital markets during the periods covered by the forward-looking statements may have an adverse effect on NetScout's businesses, financial condition, results of operations and cash flows; and

other risk factors discussed herein and listed from time to time in NetScout's public filings with the SEC.

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In addition, other factors besides those listed here could adversely affect NetScout's business and results of operations.

Because forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond NetScout's control or are subject to change, actual results could be materially different and any or all of these forward-looking statements may turn out to be wrong. Forward-looking statements speak only as of the date made and can be affected by assumptions NetScout might make or by known or unknown risks and uncertainties. Many factors mentioned in this document and in NetScout's annual and quarterly reports will be important in determining future results. Consequently, NetScout cannot assure you that expectations or forecasts expressed in such forward-looking statements will be achieved. Actual future results may vary materially. Except as required by law, NetScout does not undertake, and expressly disclaims, any obligation to update any forward-looking or other statements, whether as a result of new information, future events, or otherwise.

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INFORMATION ON THE SPECIAL MEETING

General; Date; Time and Place; Purposes of the Meeting

NetScout is furnishing this proxy statement to its stockholders in connection with the solicitation of proxies by its board of directors for use at a special meeting of stockholders to be held at [] a.m. local time, on [], 2015, or at any adjournments or postponements of the special meeting, for the purposes set forth in this document and in the accompanying notice of special meeting. The special meeting will be held at NetScout Systems, Inc., 310 Littleton Road, Westford, Massachusetts. At the special meeting, stockholders will be asked to:

approve the issuance of shares of NetScout common stock in the First Merger;

adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger; and

transact any and all other business that may properly come before the special meeting or any adjourned or postponed session of the special meeting.

A copy of the Merger Agreement is attached to this document as Annex A. All stockholders of NetScout are urged to read the Merger Agreement carefully and in its entirety.

NetScout does not expect a vote to be taken on any other matters at the special meeting. If any other matters are properly presented at the special meeting for consideration, however, the holders of the proxies, if properly authorized, will have discretion to vote on these matters in accordance with their best judgment.

When this document refers to the special meeting, it is also referring to any adjourned or postponed session of the special meeting, if necessary or appropriate.

Record Date; Quorum; Voting Information; Required Votes

Holders of record of NetScout common stock at the close of business on [], 2015, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjourned or postponed session thereof. At the close of business on the record date, [] shares of NetScout common stock were outstanding and entitled to vote. Stockholders are entitled to one vote on each matter submitted to the stockholders for each share of NetScout common stock held as of the record date.

Shares entitled to vote at the special meeting may take action on a matter at the special meeting only if a quorum of those shares exists with respect to that matter. The presence at the meeting, in person or by proxy, of the holders of a majority of the outstanding shares of NetScout common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business at the special meeting. If a share is represented for any purpose at the special meeting, it will be deemed present for purposes of determining whether a quorum exists. Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum. Broker non-votes refer to votes that could have been cast on a matter in question by brokers with respect to uninstructed shares if the brokers had received their customers' instructions.

The issuance of NetScout common stock in the First Merger must be approved by the affirmative vote of a majority of the shares of NetScout common stock represented and voting at the special meeting, either in person or by proxy. If NetScout's stockholders fail to approve the issuance of shares of NetScout common stock in the First Merger upon a vote at the NetScout special meeting, each of Danaher and NetScout will have the right to terminate the Merger Agreement, as described in the section of this document entitled "The Merger Agreement - Termination."

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The adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger must also be approved by the affirmative vote of a majority of the shares of NetScout common stock represented and voting at the special meeting, either in person or by proxy.

As of [], 2015, NetScout's directors and executive officers held []% of the shares entitled to vote at NetScout's special meeting of the stockholders. As of [], 2015, no affiliates of NetScout's directors and executive officers held shares entitled to vote at NetScout's special meeting of the stockholders. As of [], 2015, Danaher owned approximately 2.9% of the outstanding shares of NetScout common stock. As of [], 2015, Newco's directors, executive officers and their affiliates did not hold shares entitled to vote at NetScout's special meeting of the stockholders. Newco's stockholders are not required to vote on any of the proposals, and Newco will not hold a special meeting of stockholders in connection with the Transactions.

Under the terms of the Voting Agreement between Anil Singhal and Danaher, Anil Singhal has agreed in writing to vote his shares, and has granted Danaher a proxy to vote his shares, in favor of the Mergers and against any competing or superior proposals or proposals that would hinder or delay the completion of the Mergers. NetScout estimates that Anil Singhal holds approximately 5.5% of the voting power of the outstanding NetScout common shares with respect to the proposal to issue NetScout common shares in the First Merger. For a more complete description of the Voting Agreement, see Voting Agreement. In addition, Danaher intends to vote the shares of NetScout common stock that Danaher owns, representing approximately 2.9% of the outstanding shares of NetScout common stock as of October 10, 2014, in favor of the issuance of shares of NetScout common stock in the First Merger.

Recommendation of Board of Directors

After careful consideration, the board of directors of NetScout resolved that the Transactions contemplated by the Merger Agreement are advisable and fair to, and in the best interests of, NetScout and its stockholders and unanimously approved the Merger Agreement, the Mergers and the other Transactions. **The NetScout board of directors recommends that the stockholders of NetScout vote FOR approval of the issuance of shares of NetScout common stock in the First Merger, and, if necessary or appropriate, FOR the adjournment or postponement of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger.**

How to Vote

NetScout stockholders can vote in person by completing a ballot at the NetScout special meeting, or NetScout stockholders can vote before the NetScout special meeting by proxy. Even if NetScout stockholders plan to attend the special meeting, NetScout encourages its stockholders to vote their shares as soon as possible by proxy. NetScout stockholders can vote by proxy using the enclosed proxy card, or by internet or by telephone as discussed below.

Holder of Record

NetScout holders of record may vote in person at the special meeting, vote by proxy over the telephone, vote by proxy through the internet, or vote by proxy by mail using the enclosed proxy card. Whether or not NetScout stockholders plan to attend the meeting, we urge each NetScout stockholder to vote by proxy to ensure its vote is counted. A NetScout stockholder may still attend the meeting in person even if it has already voted by proxy.

To vote in person, a NetScout stockholder should come to the special meeting and we will give it ballot when it arrives.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly by mail in the envelope provided. If a NetScout stockholder returns a signed proxy card to us before the special meeting, we will vote that NetScout stockholder's shares as directed.

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To vote over the telephone, dial the toll-free number specified on the enclosed proxy card using a touch-tone phone and follow the recorded instructions. NetScout stockholders will be asked to provide the company number and control number from the proxy card. Telephone votes must be received by 11:59 p.m. Eastern Time on [], 2015 to be counted.

To vote through the internet, go to the website specified on the enclosed proxy card to complete an electronic proxy card. NetScout stockholders will be asked to provide the company number and control number from the proxy card. Internet votes must be received by 11:59 p.m. Eastern time on [] to be counted.

Beneficial Owner

If a NetScout stockholder is a beneficial owner of shares registered in the name of a bank, broker or other nominee, that NetScout stockholder should have received a notice containing voting instructions from that organization rather than from NetScout. A NetScout stockholder should simply follow the voting instructions to ensure that its vote is counted. Alternatively, a NetScout stockholder may vote by telephone or over the internet as instructed by its bank, broker or other nominee. To vote in person at the special meeting, a NetScout stockholder must obtain a valid proxy from its bank, broker or other nominee. A NetScout stockholder should follow the instructions from its bank, broker or other nominee included with these proxy materials, or contact its bank, broker or other nominee to request a proxy form.

If a NetScout stockholder returns a signed and dated proxy card or otherwise votes without marking voting selections, its shares will be voted **FOR** approval of the issuance of shares of NetScout common stock in the First Merger and **FOR** the proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies, and in accordance with the recommendations of the NetScout board of directors on any other matters properly brought before the special meeting for a vote or any adjourned or postponed session of the special meeting.

Solicitation of Proxies

NetScout will bear the entire cost of soliciting proxies from its stockholders. In addition to solicitation of proxies by mail, proxies may be solicited in person, by telephone or other electronic communications, such as emails or postings on NetScout's website by NetScout's directors, officers and employees, who will not receive additional compensation for these services. NetScout has retained Innisfree M&A Incorporated to assist in the solicitation of proxies for an initial fee of \$25,000 plus reimbursement for various expenses incurred in conjunction with the delivery of its services. Brokerage houses, nominees, custodians and fiduciaries will be requested to forward soliciting material to beneficial owners of stock held of record by them, and NetScout will reimburse those persons for their reasonable expenses in doing so.

Revocation of Proxies

If a holder of record of NetScout common stock has properly completed and submitted its proxy card, the NetScout stockholder can change its vote in any of the following ways:

by sending a signed notice of revocation to the Secretary of NetScout that is received prior to the special meeting stating that the NetScout stockholder revokes its proxy;

by properly completing a new proxy card bearing a later date and properly submitting it so that it is received prior to the special meeting;

by logging onto the internet website specified on the proxy card in the same manner a stockholder would to submit its proxy electronically or by calling the toll-free number specified on the proxy card prior to the special meeting, in each case if the NetScout stockholder is eligible to do so and following the instructions on the proxy card; or

by attending the special meeting and voting in person.

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Simply attending the special meeting will not revoke a proxy. In the event of multiple online or telephone votes by a stockholder, each vote will supersede the previous vote and the last vote cast will be deemed to be the final vote of the stockholder unless such vote is revoked in person at the special meeting.

If a NetScout stockholder holds shares in street name through its bank, broker or other nominee, and has directed such person to vote its shares, it should instruct such person to change its vote, or if in the alternative a NetScout stockholder wishes to vote in person at the special meeting, it must bring to the special meeting a letter from the bank, broker or other nominee confirming its beneficial ownership of the shares and that the bank, broker or other nominee is not voting the shares at the special meeting.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed, if necessary, for the purpose of soliciting additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of shares of NetScout common stock in the First Merger. Any adjournment or postponement may be made from time to time by the affirmative vote of a majority of the shares of NetScout common stock represented and voting at the special meeting, either in person or by proxy, without further notice other than by an announcement made at the special meeting. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow NetScout stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

The adjournment or postponement proposal relates only to an adjournment or postponement of the special meeting occurring for purposes of soliciting additional proxies for the approval of the issuance of shares of NetScout common stock in the First Merger. NetScout's board of directors retains full authority to adjourn or postpone the special meeting for any other purpose, including the absence of a quorum, or to postpone the special meeting before it is convened, without the consent of any stockholders.

Attending the Special Meeting

All NetScout stockholders, including holders of record and stockholders who hold their shares through banks, brokers or other nominees, are invited to attend the NetScout special meeting. Holders of record can vote in person at the special meeting. Cell phones must be turned off prior to entering the special meeting. Cameras and video, audio or any other electronic recording devices will not be allowed in the meeting room during the special meeting, other than for NetScout purposes.

NetScout does not expect representatives of either PricewaterhouseCoopers LLP or Ernst & Young LLP to be present at the special meeting.

Householding

SEC rules allow delivery of a single document to households at which two or more stockholders reside. Accordingly, stockholders sharing an address who have been previously notified by their bank, broker or other nominee or its intermediary will receive only one copy of this document, unless the stockholder has provided contrary instructions. Individual proxy cards or voting instruction forms (or electronic voting facilities) will, however, continue to be provided for each stockholder account. This procedure, referred to as householding, reduces the volume of duplicate information received by stockholders, as well as NetScout's expenses. Stockholders having multiple accounts may have received householding notifications from their respective banks, brokers or other nominees and, consequently, such stockholders may receive only one document.

Stockholders who prefer to receive separate copies of the document may request to receive separate copies of the document by notifying NetScout's Secretary in writing or by telephone at the following address: NetScout Systems, Inc., Attn: Secretary, 310 Littleton Road, Westford, Massachusetts 01886, telephone: (978) 614-4000.

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NetScout will provide the document promptly upon request. Stockholders currently sharing an address with another stockholder who wish to have only one proxy statement and annual report delivered to the household in the future should also contact NetScout's Secretary.

Questions and Additional Information

If NetScout stockholders have more questions about the Transactions or how to submit their proxies, or if they need additional copies of this document or the proxy card or voting instructions, please contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20th floor

New York, New York 10022

Shareholders may call toll free: (888) 750-5834

Banks and Brokers may call collect: (212) 750-5833

or

NetScout Systems, Inc.

310 Littleton Road

Westford, Massachusetts 01886

Attention: Investor Relations

Telephone: (978) 614-4000

The vote of NetScout stockholders is important. Please promptly sign, date, and return the enclosed proxy card or vote by internet or telephone by following the instructions on the proxy card or voting instruction form, as applicable.

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In the Transactions, Danaher will distribute 100% of the Newco common units to Danaher stockholders through either an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution or in a spin-off distribution not including an exchange offer. In the case of an exchange offer, Danaher will offer its stockholders the option to exchange all or a portion of their shares of Danaher common stock for Newco common units. In the event the exchange offer is not fully subscribed, Danaher will distribute the remaining Newco common units owned by Danaher on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer. If the Distribution is structured as a spin-off not including an exchange offer, Danaher will distribute in the spin-off the Newco common units owned by Danaher on a pro rata basis to Danaher stockholders. See The Transactions. Newco has filed a registration statement on Form S-4 and Form S-1 to register the Newco common units, which will be distributed to Danaher stockholders pursuant to the Distribution. The Newco common units will be immediately converted into shares of NetScout common stock in the First Merger. NetScout has filed a registration statement on Form S-4 to register the shares of its common stock, which will be issued in the First Merger. NetScout and NetScout stockholders are not a party to the Distribution and are not being asked to separately vote on the exchange offer, the spin-off or to otherwise participate in the exchange offer.

Upon consummation of the Distribution, Danaher will irrevocably deliver to an agent selected by Danaher a global certificate representing all of the Newco common units being distributed. Shares of NetScout common stock will be delivered immediately following the Distribution and the effectiveness of the Merger, pursuant to the procedures determined by the agent and Danaher's transfer agent.

In the Mergers, NetScout expects to issue an aggregate number of shares of common stock of NetScout equal to (x) 62.5 million shares of NetScout common stock plus the product of (A) 1.46 multiplied by (B) the number of shares of NetScout common stock issued in any acquisition by NetScout prior to the effective time of the First Merger, divided by (y) the aggregate number of Newco common units issued and outstanding immediately prior to the effective time of the First Merger. Based upon the reported closing sale price of \$[] per share for NetScout common stock on NASDAQ on [], 2015, the total value of the consideration to be paid by NetScout in the Transactions would have been approximately \$[] billion. The value of the consideration to be paid by NetScout in the Mergers will fluctuate with the market price of NetScout common stock until the Mergers are consummated.

The information included in this section regarding Danaher's exchange offer, if applicable, is being provided to NetScout's stockholders for informational purposes only and does not purport to be complete. For additional information on Danaher's exchange offer and the terms and conditions of Danaher's exchange offer, NetScout stockholders are urged to read Newco's registration statement on Form S-4 and Form S-1, or NetScout's registration statement on Form S-4, and all other documents Newco will file with the SEC. This document constitutes only a proxy statement for NetScout stockholders relating to the approval of the issuance of shares of NetScout common stock in the Mergers and is not an offer to sell or an offer to purchase shares of NetScout common stock.

Table of Contents**INFORMATION ON NETSCOUT****Overview**

NetScout was founded in 1984 and is headquartered in Westford, Massachusetts. NetScout is an industry leader for advanced network, application and service assurance solutions, providing high-quality performance analytics and operational intelligence solutions that facilitate the evolution toward new computing paradigms, such as virtualization, mobility and cloud. NetScout designs, develops, manufactures, markets, licenses, sells and supports these products focused on assuring service delivery quality, performance and availability for some of the world's largest, most demanding and complex internet protocol (IP) based service delivery environments. NetScout manufactures and markets these products in integrated hardware and software solutions that are used by commercial enterprises, large governmental agencies and telecommunication service providers worldwide. NetScout has a single operating segment and substantially all of its identifiable assets are located in the United States.

NetScout's Business After the Transactions

NetScout believes that the Transactions will help support the following key elements of its growth strategy:

Drive technology innovation. NetScout will continue to invest in research and development, and leverage the strong technical and domain expertise across its organization. As a result of the acquisition of Danaher's Communications business, NetScout's base of research and development professionals will more than quadruple from its current level of over 350 people and the combined company's engineering teams will be focused on advancing technical innovation across its broad product portfolio. By capitalizing on NetScout's extensive experience with global enterprise, service provider and government organizations with IP-based networks, NetScout will be well positioned to cross-leverage its technology development across all major platforms and relevant technologies to address the evolving demands of current and prospective customers. NetScout works closely with its largest enterprise and service provider customers to better understand and address their near-term and longer-term requirements. By better understanding the key, time-sensitive needs of NetScout's global customer base, NetScout will continue to enhance and extend its product line to meet the increasing challenges of managing a diverse range of services over an increasingly global network environment.

Enable pervasive visibility. NetScout intends to continue to expand its intelligent data source family to enable its customers to achieve greater visibility into more places across their end-to-end network environment. NetScout plans to integrate various capabilities, including its Adaptive Session Intelligence software, across the combined company's product portfolio to enable wider deployment of NetScout's technology within virtual computing environments, network devices and computing platforms and to support a broader range of network and application performance management, security and business intelligence requirements. This includes fortifying and enhancing NetScout's capabilities and technologies by supporting new and innovative ways to address the ongoing challenges associated with the increasing volume of data traffic and enable scalable support for 40 Gigabit, 100 Gigabit topologies and increasing global deployments of IPv6. Advancing these capabilities will enable NetScout to cross-sell a wider range of solutions into NetScout's existing base of customers using solutions from Danaher's Communications business, as well as increase business with the current base of Danaher Communications customers by cross-selling NetScout solutions.

Continued portfolio enhancements. NetScout plans to continue to enhance its products and solutions to address the management challenges associated with virtualization, cloud computing, service-oriented architectures, VoIP, video, and telepresence technologies. In addition, NetScout will continue to drive its solutions to help IT organizations address the challenges of complex service delivery, datacenter consolidation, branch office consolidation and

optimization, increasing mobility and the move to a more process-oriented operating environment. The acquisition will add Tektronix Communications' high-value troubleshooting capabilities, which targets service providers, with Fluke Networks' troubleshooting capabilities, which targets small to mid-sized enterprises. These capabilities are expected to complement NetScout's traditional strengths in monitoring

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large, complex IP-based networks and the mission-critical services that run across them. Over the longer term, NetScout anticipates that the post-acquisition product roadmap integration would support migrating key features and functionalities from various product platforms into new, higher value solutions at more attractive price points that will appeal to a broader range of customers globally.

Extension into Adjacent Markets: By enhancing and expanding NetScout's product portfolio, NetScout can also enter complementary adjacent markets that will help it further expand its customer relationships and increase its total addressable market. For example, the acquisition of the Arbor Networks business will bring new security offerings that complement NetScout's core range of solutions by helping customers identify, mitigate and remediate complex technical threats and unauthorized intrusions into their network and IT infrastructures. The Arbor business will accelerate NetScout's entry into cyber security with market-leading solutions used by leading service providers and enterprises to prevent and mitigate distributed denial of service (DDoS) attacks. In addition, the acquisition will bring new solutions for optimizing the radio access networks (RANs) of service providers and sophisticated business intelligence analytics that are used by service providers to increase customer satisfaction, reduce churn, and increase profits.

Leverage NetScout's direct sales force and pursue cross-selling opportunities. As a result of the acquisition, NetScout will have a larger direct sales force with specialized expertise in targeting the enterprise, service provider and government markets. Each of these markets has different technology issues, challenges and sales cycles. To augment NetScout's direct sales resources, particularly in key international markets, NetScout plans to leverage relationships with a range of value-added resellers and systems integrators that have historically supported Tektronix Communications, Arbor Networks and the acquired portions of the Fluke Networks Enterprise businesses. These firms possess specialized technical capabilities and local market knowledge, and NetScout believes that they will be important partners to support NetScout following the Transactions. Consequently, NetScout will be very well positioned to better meet the needs of these diverse markets. Additionally, NetScout believes that the Transactions will help create a range of attractive opportunities for the direct sales force to cross-sell various products into NetScout's customer base. For example, NetScout will seek to leverage its strong relationships with its enterprise customers to accelerate adoption of Arbor Networks' cyber security solutions and bring additional cyber security solutions to the marketplace that can take advantage of Arbor's established customer relationships; NetScout also will focus on broadening its relationships with its existing service provider customers by driving sales of the Tektronix Communications' RAN solutions and cross-selling Tektronix Communications' business intelligence analytics into new departments.

Increase market relevance and awareness. The acquisition will substantially expand NetScout's customer base around the world. To generate increased demand for NetScout's products, NetScout will implement marketing campaigns aimed at promoting its thought leadership and driving lead generation for its technology, products and solutions among both enterprise and service provider customers. In addition, NetScout will continue to drive industry initiatives around managing service delivery.

Extend NetScout's technology partner alliance ecosystem. Supporting a larger, more global customer base as a result of the acquisition will require alliances with complementary solutions providers. NetScout plans to continue to enhance its technology value, product capabilities and customer relevance through the continued integration of NetScout's products into technology partner products. This includes both interoperability integration efforts, as well as embedding NetScout's technology into alliance partner products to gain a more pervasive footprint across both enterprise and service provider networks.

Pursue strategic acquisitions. Prior to the Transactions, NetScout completed five acquisitions in recent years that helped broaden the Company's capabilities, products and technologies, and better position the Company to meet the

needs of its customers and prospects. Following the Transactions, NetScout plans to be opportunistic in pursuing strategic acquisitions in order to achieve key business and technology objectives.

Improve cost structure and drive efficiencies. NetScout believes that the Transactions will create a range of opportunities to further improve the Company's operating profitability by pursuing cost synergies. NetScout will seek to leverage its purchasing power and extend its proven manufacturing techniques in ways that can improve

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product gross margin. In addition, NetScout plans to integrate certain operations that have previously been managed separately across various business and product lines. NetScout also expects to achieve synergies by using common infrastructure platforms, and by eliminating or reducing redundancies associated with pre-existing resources, programs and capabilities.

NetScout's Liquidity and Capital Resources After the Transactions*Overview*

NetScout's principal use of its liquidity and capital for six months ended September 30, 2014 was to support its operations, including the payment of routine liabilities, to maintain and improve NetScout's facilities and systems and to pay variable and incentive compensation to its employees. NetScout's capital deployment priorities included investments in product development as well as a share repurchase program focusing on the repurchase of incremental shares issued in relation to NetScout's employee stock compensation programs. For the six months ended September 30, 2014, cash provided by operating activities was approximately \$29 million, capital expenditures were approximately \$4 million and free cash flow, a non-GAAP measure defined as net cash provided by operating activities less capital expenditures and the purchase of intangible assets, was \$25 million. Net cash used in investing activities was approximately \$25.6 million, net cash used in financing activities was approximately \$27 million primarily because of share repurchases of approximately \$31 million. NetScout's cash, cash equivalents and marketable securities were approximately \$217 million as of September 30, 2014.

For the nine month period ended September 26, 2014, cash provided by the operating activities of the Communications Business was approximately \$62 million, capital expenditures were approximately \$12 million, and free cash flows (as defined above) was approximately \$50 million. Net cash used in investing activities was approximately \$12 million and net cash paid for financing activities was approximately \$50 million, including payments to its parent of approximately \$47 million. Danaher has historically provided various services to the Communications Business including cash management and other treasury services. As such, the cash and liquidity is maintained at the Danaher corporate level.

Following the consummation of the Transactions, NetScout expects cash from operating activities to be in the range of \$200.0 million to \$250.0 million during the first year of the combined operations. Due to the low capital intensive nature of the combined business, NetScout expects that capital expenditures will continue to be less than 5 percent of total combined revenue following the consummation of the Transactions. NetScout expects to incur approximately \$11 million of investment banking fees. Since the integration planning is in the beginning phases, there is no estimate of costs associated with achieving any of the projected synergies or the consolidation of any operations and systems as well as professional fees associated with these activities. Additionally, as part of the Merger Agreement, the Communications Business will enter into a Transition Services Agreement with Danaher, under which Danaher will provide the Communications Business specified support services and other assistance for a limited time following the closing of the Transactions. Certain of the services covered under the Transition Services Agreement are costs that are currently included as operating costs in the Communications Business Combined Statements of Earnings, however, there is no guarantee that the Communications Business will not incur higher operating costs than those reflected in those financial statements and NetScout may incur certain costs to replace services at the end of the Transition Services Agreement.

NetScout anticipates that its primary sources of liquidity for working capital and operating activities will be cash provided by operations as well as a financing arrangement which is being reviewed. While NetScout has an existing Revolving Credit Agreement for \$250 million that is fully available, NetScout is reviewing alternative financing arrangements including amending the existing facility to cover the requirements of the combined entity. NetScout

expects these sources of liquidity will be sufficient to fund working capital and capital expenditure requirements, including the significant one-time costs relating to the Transactions described above.

For more information on the Communications Business and NetScout's existing sources of liquidity, see the section of this document entitled Management's Discussion and Analysis of Financial Condition and Results of

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Operations for the Communications Business and the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations included in NetScout's annual report on Form 10-K for the year ended March 31, 2014 and quarterly report on Form 10-Q for the quarter ended September 30, 2014, each filed with the SEC and incorporated by reference into this document. See Where You Can Find More Information; Incorporation by Reference.

Directors and Officers of NetScout Before and After the Transactions***Board of Directors***

The Merger Agreement provides that the NetScout board of directors will take all actions necessary such that, effective as of the effective time of the First Merger, one person selected by Danaher and approved by NetScout will be elected to the NetScout board of directors. NetScout and Danaher currently anticipate that such individual will be James A. Lico, age 48, Danaher's Executive Vice President. In accordance with the Merger Agreement, this individual will also, subject to the fiduciary duties of NetScout's board of directors, be nominated for re-election to the board of directors of NetScout at NetScout's 2015 annual meeting of stockholders. Listed below is the biographical information for each person who is currently a member of the board of directors of NetScout.

Anil Singhal, age 61, co-founded NetScout in June 1984 and has served as NetScout's Chief Executive Officer and as a director on the Company's Board since inception. In January 2007, Mr. Singhal was appointed Chairman of the Board, and has been serving as NetScout's President, CEO and Chairman since that time. In his current role, Mr. Singhal is focused on providing strategic leadership and vision, as well as setting operational priorities for the Company's management team. Mr. Singhal's vision of traffic-based instrumentation has guided NetScout's product direction and focus for the past three decades, helping to shape the evolution for the industry in the process. Under Mr. Singhal's leadership, NetScout has grown substantially during the past three decades, completing its initial public offering in 1999 and reaching nearly \$400 million in revenue in fiscal year 2014. He is credited with numerous innovations in the field of network traffic monitoring and analysis that have helped NetScout gain several of industry accolades. During the past decade, Mr. Singhal has also been an instrumental part of a number of strategic acquisitions that have fortified and enhanced NetScout's technology, customer base and go-to-market capabilities. Mr. Singhal has earned notable recognition for his entrepreneurial success, including the TiE (The Indus Entrepreneur) Boston Lifetime Achievement in 2013, Enterprise Bank's 2013 George L. Duncan Award of Excellence and Ernst & Young's New England Entrepreneur of the Year in 1997. Mr. Singhal holds a BSEE from BITS, Pilani, India and an MS in Computer Science from the University of Illinois, Urbana-Champaign.

Victor A. DeMarines, age 77, has been a NetScout director since June 2004. Mr. DeMarines was the President and Chief Executive Officer of MITRE from 1994 until his retirement in 2000. He continued to serve as a member of the Board of Trustees and as Chairman of the Technology Committee of MITRE until his retirement from the Board in 2010. He continues his relationship as a consultant to MITRE Corporation on its Department of Defense, Homeland Security, and cyber activity initiatives. Since February 2013, he has served as the Chairman of the Board of Directors of Verint Systems Inc., a publicly-held provider of systems to the internet security marketplace. He has been a member of the Board of Directors of Verint Systems since 2002 and is also currently a member of its Corporate Governance and Nominating Committee and its Audit Committee.

Robert E. Donahue, age 66, has been a NetScout director since March 2013. He currently serves on the board of directors of Sycamore Networks, Inc., an intelligent optical networking and multiservice access provider, where he has served since July 2007. Mr. Donahue served on the board of directors of Cybersource Corporation, a leading provider of electronic payment and risk management solutions, from November 2007 to August 2010. From August 2004 to November 2007, Mr. Donahue served as the President and Chief Executive Officer of Authorize. Net

Holdings, Inc. (formerly Lightbridge Inc.), a leading transaction processing company, before it was acquired by Cybersource Corporation in November 2007. Mr. Donahue also served as a member of Authorize.

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John R. Egan, age 57, has been a NetScout director since October 2000. Mr. Egan is a founding managing partner of Egan-Managed Capital, L.P., a Boston-based venture capital fund specializing in New England, information technology, and early-stage investments, which began in the fall of 1996, and is a managing partner of Carruth Associates. Since 1992, he has been a member of the Board of Directors and is currently the Chairman of the Mergers and Acquisitions Committee and member of the Finance Committee at EMC Corporation, a publicly-held provider of computer storage systems and software. Since 2007, Mr. Egan has served as a member of the Board of Directors and is currently the Chairman of the Mergers and Acquisitions Committee at VMWare, a publicly-held leader in virtualization and cloud infrastructure. Since 2011, Mr. Egan has served as a member of the Board of Directors and currently serves as Non-Executive Chairman of the Board of Directors and serves on the Compensation Committee at Progress Software Corp., a global software company. Since 2012, Mr. Egan has served as a member of the Board of Directors and is currently the Chairman of the Corporate Governance and Nominating Committee at Verint Systems, Inc., a publicly-held provider of systems to the internet security market. Mr. Egan also serves on the Board of Trustees at Boston College and as a director for two other privately held companies.

Joseph G. Hadzima, Jr., age 63, has been a NetScout director since July 1998. Mr. Hadzima has been a Managing Director of Main Street Partners, LLC, a venture capital investing and technology commercialization company, since April 1998. Since 2000, he has also been President of IPVision, Inc., a Main Street Partners portfolio company that provides intellectual property analysis systems and services. Mr. Hadzima is also a Senior Lecturer at MIT Sloan School of Management, of counsel at a law firm, and serves as a director on two private company boards.

Vincent J. Mullarkey, age 66, has been a NetScout director since November 2000. From May 2005 to June 2007, he was a member of the Board of Directors and the Chairman of the Audit Committee of webMethods, Inc., a then publicly-held business process integration software company that was acquired by Software AG in June 2007. Mr. Mullarkey was the Senior Vice President, Finance and Chief Financial Officer of Digital Equipment Corporation from 1994 until his retirement in September 1998.

Christopher Perretta, age 57, has been a NetScout director since September 2014. Mr. Perretta served as Executive Vice President and Chief Information Officer at State Street Corporation since September 2007 and as a member of State Street Corporation's Management Committee since February 2013. From December 1996 to September 2007, Mr. Perretta served in various roles at General Electric Corporation, including as Chief Information Officer for the North American Consumer Financial Services unit, Chief Technology Officer for General Electric Capital, and most recently, from January 2003 to September 2007, as Chief Information Officer of General Electric Commercial Finance. Mr. Perretta also serves as a member of the board of directors of a privately-held company.

Executive Officers

Anil Singhal, age 61, co-founded NetScout in June 1984 and has served as NetScout's Chief Executive Officer and as a director on the Company's Board since inception. In January 2007, Mr. Singhal was appointed Chairman of the Board, and has been serving as NetScout's President, CEO and Chairman since that time. In his current role, Mr. Singhal is focused on providing strategic leadership and vision, as well as setting operational priorities for the Company's management team. Mr. Singhal's vision of traffic-based instrumentation has guided NetScout's product direction and focus for the past three decades, helping to shape the evolution for the industry in the process. Under Mr. Singhal's leadership, NetScout has grown substantially during the past three decades, completing its initial public offering in 1999 and reaching nearly \$400 million in revenue in fiscal year 2014. He is credited with numerous innovations in the field of network traffic monitoring and analysis that have helped NetScout gain several of industry accolades. During the past decade, Mr. Singhal has also been an instrumental part of a number of strategic acquisitions that have fortified and enhanced NetScout's technology, customer base and go-to-market capabilities. Mr. Singhal has earned notable recognition for his entrepreneurial success, including the TiE (The Indus Entrepreneur) Boston Lifetime Achievement

in 2013, Enterprise Bank's 2013 George L. Duncan Award of Excellence and Ernst & Young's New England Entrepreneur of the Year in

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1997. Mr. Singhal holds a BSEE from BITS, Pilani, India and an MS in Computer Science from the University of Illinois, Urbana-Champaign.

Michael Szabados, age 62, has served as NetScout's Chief Operating Officer since April 2007. In this role, Mr. Szabados is focused on executing NetScout's vision and strategy. During his tenure, he has been critical in helping lead the Company's key functional areas as the Company more than doubled in size. Mr. Szabados has also helped lead the integration of Network General and five other companies that NetScout has acquired. His career at NetScout began in 1997 when he joined the Company as vice president, marketing, charged with increasing the Company's overall visibility and market awareness. His responsibilities expanded in 2001 to encompass product development, manufacturing and customer support when he was promoted to Senior Vice President, Product Operations. A veteran of the enterprise networking industry, Mr. Szabados held senior leadership roles with companies including UB Networks, SynOptics/Bay Networks and MIPS Corporation following engineering and product management roles at Intel Corporation and later at Apple. Mr. Szabados holds a BSEE from UC Irvine and an MBA from UC Santa Clara.

Jean Bua, age 56, has served as NetScout's Chief Financial Officer and Treasurer since November 2011. She joined the company in September 2010 as Vice President, Finance, in conjunction with the Company's succession planning. In her current role, Ms. Bua is responsible for investor relations, treasury, financial planning and analysis, real estate development, accounting and compliance. Ms. Bua has played a key role in executing on the financial aspects of the Company's strategy during a period in which the Company's market capitalization grew by 300%. During her tenure, the Company has successfully completed and integrated five acquisitions. Before joining NetScout, Ms. Bua served as Executive Vice President, Finance & Treasurer of American Tower Corporation, a leading provider of infrastructure for the wireless telecommunications industry. While at American Tower, she was a critical contributor to multiple equity and debt financings, and numerous acquisitions that enabled the company to more than double in revenue through both acquisition and organic growth. Prior to American Tower, Ms. Bua spent nine years at Iron Mountain, Inc., concluding as Senior Vice President, Chief Accounting Officer and Worldwide Controller. During her tenure, Iron Mountain successfully consolidated the records management industry and grew from annual revenue of \$100 million to over \$2 billion through more than 100 domestic and international acquisitions. Previously, she held senior positions at Duracraft Corp. and Keithley Instruments. She was a management consultant at Ernst & Young and an auditor at KPMG. Ms. Bua earned her Bachelor of Science in Business Administration, summa cum laude, from Bryant College and her Masters of Business Administration from the University of Rhode Island.

John W. Downing, age 56, has served as NetScout's Senior Vice President, Worldwide Sales Operations, since 2007. In this role, Mr. Downing is responsible for directing the Company's sales leadership in both the service provider and enterprise markets. Under Mr. Downing's direction, NetScout has reported strong revenue growth and built vibrant, long-term relationships with leading telecommunications service providers, government agencies and many of the world's largest corporations. He joined NetScout in 2000 as Vice President, Sales Operations, instituting and refining key go-to-market programs and sales processes that have underpinned the Company's four-fold revenue growth during the past fourteen years. Prior to NetScout, from April 1998 until September 2000, Mr. Downing served as Vice President of Sales at Genrad Corporation, a \$300 million manufacturer of electronic testing equipment and production solutions, and was Vice President of North American Sales from January 1996 until March 1998. Mr. Downing earned a Bachelor of Science in Engineering (BSE) in Computer Science and Applied Mathematics from Tufts University and a Master's in Business Administration from Suffolk University.

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INFORMATION ON THE COMMUNICATIONS BUSINESS

General

The Communications Business has been operated as Danaher Corporation's Communications platform since 2008. Danaher created the Communications platform from the enterprise network performance management and diagnostics business of Fluke Networks Enterprise, which Danaher acquired in 1998, the telecommunications network monitoring, subscriber troubleshooting and diagnostics business of Tektronix, Inc., which Danaher acquired in 2007, the network security solutions business of Arbor Networks, Inc., which Danaher acquired in 2010, as well as from the acquisitions of AirMagnet and Aran Technologies in 2009, VSS Monitoring. In 2012 and Newfield Wireless and PacketLoop in 2013. Danaher established its Communications platform primarily to address the market opportunities arising from the convergence of telecommunication and enterprise technologies, which historically had been relatively distinct but have converged as a result of the emergence of internet protocol as the predominant underlying technology for both applications.

Today, the Communications Business is a leading provider of products and solutions used in the design, deployment, monitoring and security of traditional, virtualized, mobile and cloud-based networks operated by communications service providers, hosting service providers, enterprises and government agencies worldwide. The Communications Business derives revenue principally by developing, manufacturing, and selling a broad range of hardware, software and support services. The Communications Business maintains operations and conducts business in all major geographies, including North America, Europe, Asia Pacific and Latin America.

The headquarters of the Communications Business is located at 3033 W. President George Bush Highway in Plano, Texas and the Communications Business telephone number is (469) 330-4000.

Markets, Customers and Products

The Communications Business designs, manufactures, markets, licenses, sells and supports innovative hardware and software solutions that help its customers deploy, manage and secure their communication network technologies and services. Communication networks include telecommunication and other service provider networks as well as enterprise networks. The Communications Business solutions collect and analyze massive volumes of voice, video and data traffic that traverse communication networks. The data the Communications Business collects is in the form of packets (also known as network data) and flows (also known as machine data). These forms of data provide granular detail regarding what is occurring within communication networks, both in real-time and historically. The Communications Business solutions allow its customers to analyze the large amount of packets and flows on their communication networks. From these packets and flows the Communications Business analytics solutions derive contextual and correlated insights about what is occurring at different physical points and times in a network. These insights help the Communications Business customers to:

improve the quality of their end users' experience;

monitor the performance of their network infrastructure and the services it delivers;

troubleshoot customer service and operational problems across vast, complex networks;

enable and deliver location-based services for their mobile subscribers; and

detect and mitigate cyber security events in their network, including distributed denial-of-service (DDoS) attacks and advanced persistent threats (APT).

The Communications Business product offerings include the following:

telecommunications network monitoring systems for performance management and troubleshooting;

cyber security detection and mitigation systems for service provider and enterprise networks;

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portable enterprise network analysis and optimization tools;

network packet brokering tools;

enterprise network performance management systems; and

geolocation systems for mobile telecommunications networks.

The Communications Business products are configured either as stationary solutions that continuously monitor packet and flow traffic, typically in a live network environment, or as handheld or portable tools used in laboratories and/or live networks to design, deploy or test specific types of equipment, services or points in a network.

Businesses in multiple industry verticals (including wireless and fixed-line communications service providers, hosting service providers, enterprises and governmental agencies) use the Communications Business solutions to reduce operating expenses and improve the performance and availability of their communications networks. The Communications Business broad portfolio of solutions addresses the end-to-end needs of large, physically diversified networks: from centralized information technology data centers and network operations centers to the remote access points of networks such as enterprise branch offices and mobile telecommunications cell towers.

Sales to the Communications Business two largest customers, AT&T and Verizon, were 25% and 11%, respectively, of total sales in 2013, 23% and 10%, respectively, of total sales in 2012 and 31% and 2%, respectively, of total sales in 2011. No other customer accounted for more than 10% of consolidated sales in 2013, 2012 or 2011.

The Communications Business products and solutions are marketed under the AIRMAGNET, ARBOR NETWORKS, FLUKE NETWORKS, TEKTRONIX COMMUNICATIONS and VSS MONITORING brands.

Strategy

The Communications Business management believes there are several key trends driving growth in the Communications Business served markets, including the:

proliferation of smart devices, including mobile phones and machine-to-machine and Internet of Things communications;

increasing sophistication of real-time communications services requiring superior network performance and availability;

growing prevalence of cyber security attacks (such as DDoS and APT) on network integrity and availability;

new investments in network function virtualization (NFV) and software defined networks (SDN);

continuing transition of premise-based infrastructures and services to cloud-based infrastructure and services; and

increasing demand for the extraction of insights from Big Data such as the traffic traversing communication networks.

The Communications Business management believes communications service providers, enterprises and government agency network operators worldwide will continue to invest in solutions like the Communications Business to address the increasing complexities associated with these trends.

The Communications Business strategy is to focus on facilitating the deployment, management and security of the Communications Business customers communication network technologies and services. As the

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Communications Business customers migrate to new technologies and services the Communications Business seeks to adapt and enhance its solutions accordingly with the objective of offering a broad, complementary and best-in-class portfolio that addresses the Communications Business customers needs. The initiatives the Communications Business is pursuing to accomplish this strategy include:

improving the cost-effective, technical scalability of the Communications Business solutions to address the ever-increasing volumes of traffic customers need to monitor and analyze in real-time;

migrating the Communications Business hardware solutions to virtualized formats in a manner that preserves technical performance and financial attractiveness for the Communications Business customers;

embracing the opportunities presented by the cloud, to improve the Communications Business competitive positioning and expand the size of the Communications Business addressable market;

re-purposing the contextual and correlated insights the Communications Business derives from network traffic to serve not only the technical functions of the Communications Business customers but also the business and marketing functions; and

leveraging the Communications Business broad footprint in monitoring internet traffic to help the Communications Business security solutions deployed in customer networks around the world better identify cyber security threats and fortify network defenses.

To accomplish this strategy, the Communications Business is investing in internal product development, pursuing strategic acquisitions as appropriate to gain access to technology, products, or markets and leveraging the Communications Business strong industry brands, customer relationships and global distribution channels.

Manufacturing and Materials

The Communications Business primary manufacturing activities occur at facilities located in North America. The Communications Business performs installation and integration activities at customer sites using internal direct labor and third-party integration providers. These installation and integration activities occur primarily at network operator sites located in all of the major geographic regions that the Communications Business serves.

The Communications Business manufacturing operations employ a variety of raw materials that the Communications Business purchases from independent sources around the world. No single supplier is material, although for some components that require particular specifications or qualifications there may be a single supplier or a limited number of suppliers that can readily provide such components. The Communications Business utilizes a number of techniques to address potential disruption in and other risks relating to its supply chain, including in certain cases the use of safety stock, alternative materials and qualification of multiple supply sources. During 2013, the Communications Business had no raw material shortages that had a material effect on its business.

Sales, Distribution and Backlog

The Communications Business maintains a direct sales and field maintenance organization, staffed with technically trained personnel throughout the world. Sales to end-customers are made through the Communications Business direct sales organization and to a lesser extent through independent distributors and resellers located in principal market areas. The Communications Business distribution strategy is to align the sales channel with the Communications Business customer base, concentrating direct selling efforts in large or strategic geographies and markets, and utilizing distributors or other partners to expand geographic and customer reach.

The Communications Business unfilled product and service orders were \$357,334,000 as of December 31, 2013 and \$398,404,000 as of December 31, 2012. A large majority of the unfilled orders will be delivered to customers within one year.

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Research and Development

The Communications Business conducts research and development activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use and reliability of its existing products and expanding the applications for which uses of its products are appropriate. The Communications Business research and development efforts include internal initiatives and those that use licensed or acquired technology. Research and development activities occur in North America, Asia and Europe. The Communications Business anticipates that it will continue to make significant expenditures for research and development as it seeks to provide a continuing flow of innovative products to maintain and improve its competitive position. Expenditures for research and development during fiscal years 2013, 2012 and 2011 were \$147,553,000, \$130,872,000 and \$111,898,000, respectively. Customer-sponsored research and development was not significant in 2013, 2012 or 2011.

Seasonality

General economic conditions impact the Communications Business business and financial results, but it is not subject to material seasonality.

Competition

The Communications Business primary competitors include Astellia SA, Empirix Inc., FireEye, Inc., Gigamon Inc., International Business Machines Corporation, Ixia, JDS Uniphase Corporation, NetScout, Polystar, Riverbed Technology, Inc., network equipment manufacturers (NEMs) and various in-house solutions. The Communications Business encounters a variety of competitors, including well-established regional competitors, competitors who are more specialized than the Communications Business is in particular markets, as well as larger companies or divisions of larger companies with substantial sales, marketing, research, and financial capabilities. The Communications Business is facing increased competition in a number of its served markets as a result of the entry of new, large companies into certain markets, the entry of competitors based in low-cost manufacturing locations, and increasing consolidation in particular markets. The Communications Business management believes that the Communications Business has a market leadership position in many of the markets it serves. Key competitive factors vary among its product and service lines, but include product scalability and performance, technology and product availability, price, quality, delivery speed, service and support, innovation, distribution network and brand name recognition.

Intellectual Property

The Communications Business owns numerous patents along with trademarks, copyrights, trade secrets and licenses to intellectual property owned by others. Although in aggregate the Communications Business intellectual property is important to its operations, the Communications Business management does not consider any single patent, trademark, copyright, trade secret or license to be of material importance to the Communications Business business. From time to time the Communications Business engages in litigation to protect its intellectual property rights.

Working Capital

The Communications Business maintains an adequate level of working capital to support its business needs. There are no unusual industry practices or requirements relating to working capital items. In addition, the Communications Business sales and payment terms are generally similar to those of its competitors.

Employee Relations

As of September 26, 2014, the Communications Business employed approximately 2,570 persons, of whom approximately 1,560 were employed in the United States and approximately 1,010 were employed outside of the

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United States. In the United States, the Communications Business does not have any hourly-rated, unionized employees. Outside the United States, the Communications Business has government-mandated collective bargaining arrangements and union contracts in certain countries.

Regulatory Matters

The Communications Business faces government regulation both within and outside the United States relating to the development, manufacture, marketing, sale and distribution of its products, software and services. The following sections describe certain significant regulations that the Communications Business is subject to. These are not the only regulations that the Communications Business businesses must comply with.

Environmental, Health and Safety Laws and Regulations

The Communications Business operations, products and services are subject to environmental laws and regulations in the jurisdictions in which they operate, which impose limitations on the discharge of pollutants into the environment and establish standards for the generation, use, treatment, storage and disposal of hazardous and non-hazardous wastes. The Communications Business must also comply with various health and safety regulations in both the United States and abroad in connection with its operations. Compliance with these laws and regulations has not had and, based on current information and the applicable laws and regulations currently in effect, is not expected to have a material effect on the Communications Business capital expenditures, earnings or competitive position, and the Communications Business management does not anticipate material capital expenditures for environmental control facilities.

Export/Import Compliance

The Communications Business is required to comply with various U.S. export/import control and economic sanctions laws, including: (1) the Export Administration Regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security, which, among other things, impose licensing requirements on the export or re-export of certain dual-use goods, technology and software (which are items that potentially have both commercial and military applications); (2) the regulations administered by the U.S. Department of Treasury, Office of Foreign Assets Control, which implement economic sanctions imposed against designated countries, governments and persons based on United States foreign policy and national security considerations; and (3) the import regulatory activities of the U.S. Customs and Border Protection. Other nations governments have implemented similar export and import control regulations, which may affect the Communications Business operations or transactions subject to their jurisdictions.

International Operations

The Communications Business products, software and services are available worldwide, and the Communications Business principal markets outside the United States are in Europe, Asia and Latin America. The Communications Business management believes that the Communications Business future growth depends in part on its ability to continue developing products and sales models that successfully target emerging markets. Annual revenue derived from customers outside the United States (based on geographic destination) as a percentage of total annual revenue was 41% in 2013, 42% in 2012 and 44% in 2011. Long-lived assets located outside the United States as a percentage of total long-lived assets as of December 31, 2013, 2012 and 2011 were 8%, 8% and 9%, respectively.

The manner in which the Communications Business products and services are sold outside the United States differs by product and by region. Most of the Communications Business sales in non-U.S. markets are made directly from the U.S., but it also sells products through various representatives and distributors. In countries with low sales volumes,

the Communications Business often sells through representatives and distributors as well as other partners such as third party system integrators. Financial information about the Communications Business international operations is contained in Note 15 of the Communications Business Combined Financial Statements for the year ended December 31, 2013.

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The Communications Business headquarters is located in Plano, Texas. The following is a summary of the Communications Business significant operating locations.

Location	Own/Lease	Functional Use
Plano, Texas	Own ¹	R&D, service, manufacturing and administrative
Ann Arbor, Michigan	Lease	R&D and service
Burlington, Massachusetts	Lease	R&D, service, manufacturing and administrative
Atlanta, Georgia	Lease	R&D
Berlin, Germany	Lease	R&D and manufacturing
Frankfurt, Germany	Lease	Service and administrative
Dublin, Ireland	Lease	R&D, manufacturing and administrative
Padova, Italy	Lease	R&D
Shanghai, China	Lease	R&D
Sunnyvale, California	Lease	R&D, manufacturing and administrative
Berkeley, California	Lease	R&D and administrative
Colorado Springs, Colorado	Lease	R&D and administrative
Santa Clara, California	Lease	R&D and administrative
Beijing, China	Lease	R&D
Rockville, Maryland	Lease	Sales and service

Legal Proceedings

The Communications Business is, from time to time, subject to a variety of litigation and other legal and regulatory proceedings incidental to its business. Based upon the Communications Business management's experience, current information and applicable law, the Communications Business management does not believe it is reasonably possible that these proceedings and claims will have a material effect on the Communications Business financial statements.

¹ As of the closing of the distribution of the Communications Business, the ownership of this facility will be transferred to Danaher or a subsidiary of Danaher and leased to NetScout or a subsidiary of NetScout.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS**

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is designed to provide a reader of the financial statements with a narrative from the perspective of the management of the Communications Business. The MD&A should be read in conjunction with the Communications Business Combined Financial Statements for the nine months ended September 26, 2014 and the year ended December 31, 2013. The MD&A is divided into five sections:

Basis of Presentation and Overview

Results of Operations

Risk Management

Liquidity and Capital Resources

Critical Accounting Estimates

BASIS OF PRESENTATION

The Communications Business consists of the Tektronix Communications and Arbor Networks businesses, and certain parts of the Fluke Networks Enterprise business of Danaher and is a leading provider of products and solutions used in the design, deployment, monitoring and security of traditional, virtualized, mobile and cloud-based networks operated by communications service providers, hosting service providers, enterprises and government agencies worldwide. The Communications Business derives revenue principally by developing, manufacturing, and selling a broad range of hardware, software and support services.

On October 13, 2014, Danaher announced a definitive agreement with NetScout to combine the Communications Business with NetScout whereby Danaher will distribute to its stockholders all of the common units of Newco, a wholly owned subsidiary. Prior to the closing of the distribution, Danaher will cause specified assets used in, and liabilities of, the Communications Business to be conveyed to Newco (the Transaction solely for purposes of this section). The distribution of the Newco common units to Danaher stockholders will be effected as either a spin-off transaction, a split-off transaction, or a combination split-off and spin-off, followed by a merger with a subsidiary of NetScout for consideration of 62.5 million NetScout shares, subject to adjustment. Both the distribution and merger are expected to qualify as tax-free transactions to Danaher and its stockholders, except to the extent that cash is paid to Danaher stockholders in lieu of fractional shares. If Danaher elects a spin-off, all Danaher stockholders will participate pro-rata. If Danaher elects a split-off, Danaher will conduct an exchange offer pursuant to which its stockholders will elect whether to exchange Danaher shares for common units of Newco. If the split-off exchange offer is not fully subscribed, the additional Newco common units held by Danaher will be distributed in a spin-off on a pro rata basis to Danaher stockholders. Danaher will determine which approach it will take prior to closing the transaction and no decision has been made at this time. At closing, depending on the number of shares of NetScout common stock

outstanding, Danaher stockholders will receive approximately 59.5% of the shares of NetScout stock outstanding following the combination. The Transaction is expected to be completed in 2015.

The accompanying combined financial statements present the historical financial position, results of operations, changes in Parent's equity and cash flows of the Communications Business of Danaher in accordance with GAAP for the preparation of carved-out combined financial statements.

The Communications Business has historically operated as part of Danaher and not as a stand-alone company and has no separate legal status or existence. The financial statements have been derived from Danaher's historical accounting records and are presented on a carve-out basis. All revenues and costs as well as assets and liabilities directly associated with the business activity of the Communications Business are included as a component of the financial statements. The financial statements also include allocations of certain general,

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administrative, sales and marketing expenses and cost of sales from Danaher's corporate office and from other Danaher businesses to the Communications Business and allocations of related assets, liabilities, and Parent's investment, as applicable. The allocations have been determined on a reasonable basis; however, the amounts are not necessarily representative of the amounts that would have been reflected in the financial statements had the Communications Business been an entity that operated independently of Danaher. Related party allocations are discussed further in Note 16 of the Notes to the Combined Financial Statements for the year ended December 31, 2013.

As part of Danaher, the Communications Business is dependent upon Danaher for all of its working capital and financing requirements as Danaher uses a centralized approach to cash management and financing of its operations. Financial transactions relating to the Communications Business are accounted for through the Parent investment account of the Communications Business. Accordingly, none of Danaher's cash, cash equivalents or debt at the corporate level has been assigned to the Communications Business in the financial statements.

Net parent investment, which includes retained earnings, represents Danaher's interest in the recorded net assets of the Communications Business. All significant transactions between the Communications Business and Danaher have been included in the accompanying Combined Financial Statements for the year ended December 31, 2013. Transactions with Danaher are reflected in the accompanying Combined Statements of Changes in Parent's Equity as Net transfers from (to) parent and in the accompanying Combined Balance Sheets within Net parent investment.

All significant intercompany accounts and transactions between the operations comprising the Communications Business have been eliminated in the accompanying Combined Financial Statements for the year ended December 31, 2013.

OVERVIEW

General

Please see Information on the Communications Business for a discussion of the Communications Business products and services, customer base, and the strategy of the business. The Communications Business is a multinational corporation that serves communication service providers and enterprise networks in all major geographic regions. During 2013, approximately 41% of the Communications Business sales were derived from customers outside the United States. As a global business, the Communications Business operations are affected by worldwide, regional and industry-specific economic and political factors, as well as technology trends in the markets served. As a result of the Communications Business geographic diversity, as well as the breadth of product offerings across a broad segment of communication industry customers, the Communications Business faces a variety of opportunities and challenges, including rapid technological development, the increasing bandwidth requirement of networks, a concentration of customers in North America, the expansion and evolution of opportunities in high-growth markets, trends and costs associated with a global labor force, and competition from local competitors as well as new market entrants. The Communications Business operates in a highly competitive business environment, and the Communications Business long-term growth and profitability will depend in particular on its ability to maintain and expand business with existing customers in both North America and on a global basis and to provide continually enhanced technology solutions that address customer needs.

Restructuring Activities

In light of shifts in demand and consistent with the Communications Business approach of positioning itself to provide superior products and services to its customers in a cost efficient manner, the Communications Business will, from time to time, initiate actions to improve productivity and reduce cost, incurring severance and other reorganization

costs to do so. As a result of these actions, the Communications Business recorded restructuring and other related charges of \$5,529,000, \$2,340,000 and \$3,421,000, in 2013, 2012 and 2011, respectively; of which approximately 91%, 55% and 89%, in each respective year was included in selling general

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and administrative expenses in the accompanying Combined Statements of Earnings, with the remaining amount charged to cost of sales. In each year, the amounts are predominantly cash charges.

Acquisitions

During 2013, the Communications Business acquired two businesses for total consideration of \$74,719,000 in cash, net of cash acquired. The businesses acquired enhanced the technology platforms and research and development capabilities of the Communications Business. The aggregate annual sales of these two businesses at the time of their respective acquisitions, in each case based on the business revenues for its last completed fiscal year prior to the acquisition, were approximately \$13,100,000.

There were no business acquisitions during the nine months ended September 26, 2014. For a discussion of the Communications Business 2012 and 2011 acquisition activity, refer to Liquidity and Capital Resources Investing Activities.

RESULTS OF OPERATIONS**Comparison of Results of Operations for the Nine Months Ended September 26, 2014 and September 27, 2013**

(\$ in thousands)	Nine Months Ended	
	September 26, 2014	September 27, 2013
Sales:		
Products	\$ 399,191	\$ 457,285
Services	167,625	154,237
Total sales	566,816	611,522
Cost of sales:		
Products	(136,304)	(143,248)
Services	(39,415)	(35,035)
Total cost of sales	(175,719)	(178,283)
Gross profit:		
Products	262,887	314,037
Services	128,210	119,202
Total gross profit	391,097	433,239
Operating costs and other		
Selling, general and administrative expenses	(204,083)	(197,279)
Research and development expenses	(123,454)	(108,923)
Amortization of intangible assets	(12,390)	(14,724)
Earnings before income taxes	51,170	112,313
Income Taxes	(15,976)	(32,185)

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Net Earnings	\$ 35,194	\$ 80,128
Product gross profit as a % of product sales	65.9%	68.7%
Service gross profit as a % of service sales	76.5%	77.3%
Total gross profit as a % of sales	69.0%	70.8%
Selling, general and administrative expenses as a % of sales	36.0%	32.3%
Research and development expenses as a % of sales	21.8%	17.8%
Earnings before income taxes as a % of sales	9.0%	18.4%

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Sales and Backlog

The Communications Business total sales decreased \$44,706,000, or 7.3%, during the nine months ended September 26, 2014 as compared to the comparable period in 2013. Price increases contributed approximately 1.0% to sales growth during the nine months ended September 26, 2014 as compared to the comparable period in 2013.

Product sales decreased \$58,094,000, or 12.7%, during the nine months ended September 26, 2014 as compared to the comparable period in 2013, due primarily to lower product sales of telecommunications network monitoring systems in North America. Certain of the Communications Business large customers are in the process of migrating to a next-generation communication network technology infrastructure, and as a result have delayed capital spending on their networks. The Communications Business is actively working with these customers to support this transition, including by increasing research and development investments to bring to market solutions for these customers next generation technology requirements. The Communications Business anticipates this technology migration will continue to adversely impact product shipments for the remainder of 2014 and into the first half of 2015. This revenue decline was partially offset by increased product sales from recently acquired businesses which contributed \$14,155,000 during the nine months ended September 26, 2014 as compared to the comparable period in 2013 as well as mid-single digit sales growth from existing businesses in enterprise performance management and cyber security products.

Sales of services increased \$13,388,000, or 8.7%, during the nine months ended September 26, 2014 as compared to the comparable period in 2013. This sales growth was primarily as a result of continued strong demand for maintenance and service for the Communications Business growing installed base of communications network monitoring systems, cyber security systems and growth in new service offerings, including those from recently acquired businesses.

Geographically, sales decreased significantly in North America and grew moderately in Europe, Latin America, the Middle East and Africa during the nine months ended September 26, 2014 as compared to the comparable period in 2013.

Backlog at September 26, 2014 was \$299,060,000, a decrease of \$58,274,000 as compared to the balance at December 31, 2013. Orders booked during the nine months ended September 26, 2014 decreased \$21,190,000 as compared to the comparable period in 2013. These decreases are due primarily to the North American customer capital spending delays described above.

Cost of Sales

Cost of products sales decreased \$6,944,000, or 4.8%, during the nine months ended September 26, 2014 as compared to the comparable period in 2013, due primarily to the decrease in demand for communications network monitoring systems, partially offset by increased cost of sales from recent acquisitions of approximately \$6,574,000 during the nine months ended September 26, 2014 as compared to the comparable period in 2013.

Cost of services sales increased \$4,380,000 or 12.5% during the nine months ended September 26, 2014 and grew faster than service sales due primarily to higher service costs associated with recently acquired businesses which contributed \$3,080,000. Cost of sales related to service sales from existing businesses grew at a rate comparable to revenues for the nine months ended September 26, 2014.

Gross Profit

Gross profit declined \$42,142,000 or 180 basis points as a percent of sales during the nine months ended September 26, 2014 as compared to the comparable period in 2013.

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Products gross profit as a percent of products sales decreased 280 basis points during the nine months ended September 26, 2014 as compared to the comparable period in 2013 primarily as a result of North American sales (where margins are typically higher than in other geographies) comprising a lower percentage of total products sales as well as the dilutive impact of recent acquisitions.

Services gross profit as a percent of service sales decreased 80 basis points during the nine months ended September 26, 2014 as compared to the comparable period in 2013 as a result of the dilutive impact of recent acquisitions.

Operating Costs and Other Expenses

Selling, general and administrative expenses increased \$6,804,000, or 370 basis points as a percent of sales, during the nine months ended September 26, 2014 as compared to the comparable period in 2013. This increase was due primarily to the following factors:

Growth investments to expand the reach of the Communications Business direct sales force in developed and emerging markets increased selling, general and administrative expenses by 270 basis points as a percent of sales.

Recent acquisitions increased selling, general and administrative expenses by 100 basis points as a percent of sales.

Research and development expenses increased \$14,531,000, or 400 basis points as a percent of sales, during the nine months ended September 26, 2014 as compared to the comparable period in 2013. The Communications Business investments in new product development, including the next-generation telecommunications monitoring platform that management anticipates will support the customer technology migration described above and expansion of the Communications Business cyber security product offerings into advanced persistent threat (APT), increased research and development expenses as a percent of sales by 240 basis points during the nine months ended September 26, 2014 as compared to the comparable period of 2013. In addition, recent acquisitions increased research and development expenses as a percent of sales by 160 basis points during the nine months ended September 26, 2014 as compared to the comparable period of 2013.

Amortization of intangible assets decreased \$2,334,000 during the nine months ended September 26, 2014 as compared to the comparable period in 2013. Increased amortization associated with intangible assets recorded in connection with the 2013 acquisitions were more than offset by a decrease in amortization driven by the impairment of certain finite-lived intangible assets in the fourth quarter of 2013 that reduced the amortizable asset base by \$31,063,000 as well as certain intangible assets associated with the acquisition of Tektronix in 2007 becoming fully amortized during 2013. For more information regarding this impairment charge see Results of Operations Comparison of Results of Operations for the Years Ended December 31, 2013 and December 31, 2012.

Earnings Before Income Taxes

The Communications Business earnings before income taxes declined \$61,143,000 during the nine months ended September 26, 2014 as compared to the comparable period in 2013, or 940 basis points as a percent of sales. The reduction in earnings before income taxes as a percent of sales is due to the following factors:

The year-over-year decline in sales and incremental year-over-year costs associated with new product development, sales and marketing growth investments, net of incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2014 and 2013, negatively impacted earnings before income taxes as a percent of sales by 770 basis points

The dilutive impact of recent acquisitions, due primarily to higher research and development costs, negatively impacted earnings before income taxes as a percent of sales by 170 basis points.

Table of Contents**Comparison of Results of Operations for the Years Ended December 31, 2013 and December 31, 2012**

(\$ in thousands)	Year Ended December 31	
	2013	2012
Sales:		
Products	\$ 623,632	\$ 594,770
Services	211,259	190,968
Total sales	834,891	785,738
Cost of sales:		
Products	(195,077)	(189,711)
Services	(48,043)	(44,544)
Total cost of sales	(243,120)	(234,255)
Gross profit:		
Products	428,555	405,059
Services	163,216	146,424
Total gross profit	591,771	551,483
Operating costs and other		
Selling, general and administrative expenses	(276,896)	(245,403)
Research and development expenses	(147,553)	(130,872)
Amortization of intangible assets	(19,661)	(17,327)
Impairment of intangible assets	(31,063)	
Earnings before income taxes	116,598	157,881
Income Taxes	(32,792)	(54,083)
Net Earnings	\$ 83,806	\$ 103,798
Product gross profit as a % of product sales	68.7%	68.1%
Service gross profit as a % of service sales	77.3%	76.7%
Gross profit as a % of sales	70.9%	70.2%
Selling, general and administrative expenses as a % of sales	33.2%	31.2%
Research and development expenses as a % of sales	17.7%	16.7%
Earnings before income taxes as a % of sales	14.0%	20.1%

Sales and Backlog

The Communications Business total sales increased \$49,153,000, or 6.3%, during 2013 as compared to 2012. Price increases contributed approximately 1.0% to sales growth during 2013 as compared to 2012.

Product sales grew \$28,862,000, or 4.9%, in 2013 as compared to 2012 due to strong demand for telecommunications network monitoring systems, primarily in North America, as carriers continued to expand wireless telecommunication service offerings and increase the capacity of their networks. Increased demand for enterprise network performance management products and enterprise cyber security systems also contributed to growth. Recent acquisitions

contributed slightly to product sales growth.

The Communications Business service sales increased by \$20,291,000, or 10.6%, in 2013 as compared to 2012. This sales growth was primarily a result of continued strong demand for maintenance and service for the Communications Business growing installed base (which installed base increased significantly in 2012 as a result of strong year-over-year product sales growth) of communications network monitoring systems, cyber security systems and growth in new service offerings, including those from recently acquired businesses.

Geographically, the Communications Business sales for products and services increased significantly in North America and Latin America during 2013 as compared to 2012, which was offset somewhat by declines in Europe and Asia.

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Backlog at December 31, 2013 was \$357,334,000, a decrease of \$41,070,000 as compared to the balance at December 31, 2012. However, orders booked during 2013 increased \$103,494,000 compared to 2012 bookings. Order growth rates can vary significantly due to the size and timing of receipt of customer orders.

Cost of Sales

Cost of products sales increased \$5,366,000, or 2.8%, during 2013 as compared to 2012, due primarily to the increase in demand for communications network monitoring systems. Cost of products sales increased at a lower rate than product sales for the period due to the leveraging of certain fixed costs on higher sales levels.

Cost of services sales increased \$3,499,000, or 7.9%, during 2013 as compared to 2012 consistent with increased demand for the Communications Business service offerings. Cost of services sales increased at a lower rate than services sales for the period due to the leveraging of certain fixed costs on higher sales levels.

Gross Profit

Gross profit increased \$40,288,000 or 70 basis points as a percent of sales during 2013 as compared to 2012.

Product gross profit as a percent of product sales increased 60 basis points during 2013 as compared to 2012 primarily as a result of strong demand in North America for communications network management products and resulting fixed cost leverage, offset slightly by the dilutive impact of product sales from recently acquired businesses.

Service gross profit as a percent of service sales increased 60 basis points during 2013 as compared to 2012 primarily as result of strong demand for the Communications Business service offerings as discussed above.

Operating Costs and Other Expenses

Selling, general and administrative expenses increased \$31,493,000, or 200 basis points as a percent of sales, during 2013 as compared to 2012, due to sales and marketing growth investments to expand the reach of the Communications Business direct sales force in developed and emerging markets and the acquisition of VSS Monitoring, Inc. (VSS), which contributed 100 basis points to selling, general and administrative expenses as a percent of sales during 2013 as compared to 2012.

Research and development expenses increased \$16,681,000, or 100 basis points as a percent of sales, during 2013 as compared to 2012. This increase was due primarily to investments in new product development, including the next-generation telecommunications monitoring platform that management anticipates will support the customer technology migration described above and expansion of the Communications Business cyber security offering into APT as well as continued product development for recently acquired businesses.

Amortization of intangibles increased \$2,334,000 during 2013 as compared to 2012 primarily due to the amortization of intangible assets from the acquisition of VSS in the second quarter 2012 and to a lesser extent from business acquisitions in 2013.

The Communications Business recorded an impairment charge of \$31,063,000 in 2013 to reduce certain customer relationship assets associated with an acquisition to their fair value. These customer relationship assets were deemed to be impaired because, as of December 31, 2013, orders and financial results of the business had not materialized according to the original expectations of the Communications Business as of the date of acquisition. For additional information regarding the impairment charge see Note 6 to the Combined Financial Statements for the year ended

December 31, 2013.

Table of Contents**Earnings Before Income Taxes**

The Communications Business earnings before income taxes declined \$41,283,000 during 2013 as compared to 2012, and as a percent of sales, declined from 20.1% of sales in 2012 to 14.0% of sales in 2013. The reduction in earnings before income taxes as a percent of sales is due to the following factors:

The dilutive impact of recent acquisitions negatively impacted earnings before income taxes by 220 basis points.

Intangible asset impairment negatively impacted earnings before income taxes by 370 basis points.

The year-over-year increase in sales, and incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2013 and 2012, offset by incremental year-over-year costs associated with new product development, sales and marketing growth investments negatively impacted earnings before income taxes as a percent of sales by 20 basis points.

Comparison of Results of Operations for the Years Ended December 31, 2012 and December 31, 2011

(\$ in thousands)	Year Ended December 31	
	2012	2011
Sales:		
Products	\$ 594,770	\$ 483,782
Services	190,968	185,497
Total sales	785,738	669,279
Cost of sales:		
Products	(189,711)	(168,349)
Services	(44,544)	(44,543)
Total cost of sales	(234,255)	(212,892)
Gross profit:		
Products	405,059	315,433
Services	146,424	140,954
Total gross profit	551,483	456,387
Operating costs and other		
Selling, general and administrative expenses	(245,403)	(217,196)