

NETSCOUT SYSTEMS INC  
Form S-4/A  
May 13, 2015  
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As filed with the U.S. Securities and Exchange Commission on May 13, 2015

Registration No. 333-200704

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Amendment No. 4  
to  
FORM S-4  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

NETSCOUT SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>7373</b> (Primary Standard Industrial Classification Code Number)	<b>04-2837575</b> (I.R.S. Employer Identification Number)
--	--	---

**310 Littleton Road**  
**Westford, Massachusetts 01886**  
**(978) 614-4000**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Anil K. Singhal**  
**President and Chief Executive Officer**  
**NetScout Systems, Inc.**

**310 Littleton Road**  
**Westford, Massachusetts 01886**  
**(978) 614-4000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With copies to:*

**Miguel J. Vega, Esq.**

**Jeff Levinson, Esq.**

**Joseph A. Coco, Esq.**

**Barbara Borden, Esq.**

**Vice President, General Counsel and Secretary**

**Thomas W. Greenberg, Esq.**

**Cooley LLP**

**NetScout Systems, Inc.**

**Skadden, Arps, Slate,  
Meagher &**

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**Flom LLP**

**Boston, MA 02116**

**Westford, MA 01886**

**Four Times Square**

**(617) 937-2300**

**(978) 614-4000**

**New York, NY 10036**

**(212) 735-3000**

**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable on or after the effective date of this registration statement and after all other conditions to the completion of the exchange offer and merger described herein have been satisfied or waived.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the U.S. Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**EXPLANATORY NOTE**

NetScout Systems, Inc. ( NetScout ) is filing this registration statement on Form S-4 (Reg. No. 333-200704) to register shares of its 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 Potomac Holding LLC ( Newco ), a Delaware limited liability company and subsidiary of Danaher Corporation ( Danaher ), 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 or NetScout or one of its subsidiaries. In exchange therefor, Danaher will receive all of the issued and outstanding Newco common units, and those units will be distributed to Danaher stockholders as provided below. 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 a 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, Newco has filed a registration statement on Form S-4 and S-1 (Registration No. 333-200711) to register the Newco common units which will be distributed to Danaher stockholders in the spin-off or split-off.

Danaher will 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 or spin-off (in the event the exchange offer is not fully subscribed), Newco common units will 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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**The information in this prospectus is not complete and may change. The exchange offer and issuance of securities being registered pursuant to the registration statement of which this prospectus forms a part may not be completed until the registration statement is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any state where such offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED MAY 13, 2015**

**PRELIMINARY PROSPECTUS OFFER TO EXCHANGE**

**DANAHER CORPORATION**

**Offer to Exchange All Common Units of**

**POTOMAC HOLDING LLC**

**which are owned by Danaher Corporation**

**and will be converted into Shares of Common Stock of**

**NETSCOUT SYSTEMS, INC.**

**for**

**Shares of Common Stock of Danaher Corporation**

*Danaher Corporation ( Danaher ) is offering to exchange all common units representing limited liability company interests ( Newco common units ) of Potomac Holding LLC ( Newco ) which are owned by Danaher for shares of common stock of Danaher ( Danaher common stock ) that are validly tendered and not properly withdrawn. The number of shares of Danaher common stock that will be accepted if this exchange offer is completed will depend on the final exchange ratio, the number of Newco common units offered and the number of shares of Danaher common stock tendered. The terms and conditions of this exchange offer are described in this prospectus, which you should read carefully. None of Danaher, Newco any of their respective directors or officers or any of their respective representatives makes any recommendation as to whether you should participate in this exchange offer. You must make your own decision after reading this prospectus and consulting with your advisors.*

*Following consummation of the exchange offer, a wholly-owned subsidiary of NetScout Systems, Inc. ( NetScout ) named RS Merger Sub I, Inc., a Delaware corporation ( Merger Sub ), will be merged with and into Newco, whereby the separate corporate existence of Merger Sub will cease and Newco will continue as the surviving company (the First Merger ), and, subsequently, Newco will be merged with and into a wholly-owned subsidiary of NetScout named RS Merger Sub II, LLC, a Delaware limited liability company ( Merger Sub II ), whereby the separate corporate existence of Newco will cease and Merger Sub II will continue as the surviving company (the Second Merger, and together with the First Merger, the Mergers ). 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 duly authorized, validly issued, fully paid and nonassessable shares of common stock of NetScout ( 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. In addition, 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. 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 aggregate number of shares of NetScout common stock to be issued in the First Merger by NetScout is expected to result in pre-First Merger holders of Newco common units and Newco employees collectively owning approximately 59.5% of the issued and outstanding shares of NetScout common stock on a fully-diluted basis after giving effect to the Mergers, and NetScout existing equityholders collectively owning approximately 40.5% of the issued and outstanding shares of NetScout common stock on a fully-diluted basis. Newco common units will not be transferred to participants in this exchange offer; such participants will instead receive shares of NetScout common stock in the First Merger. No trading market currently exists or will ever exist for Newco common units. You will not be able to trade the Newco common units before they are converted into shares of NetScout common stock in the First Merger. In addition, there can be no assurance that shares of NetScout common stock, when issued in the First Merger, will trade at the same prices as shares of NetScout common stock are traded prior to the First Merger.*

*The value of Danaher common stock and Newco common units will be determined by Danaher by reference to the simple arithmetic average of the daily volume-weighted average prices ( VWAP ) on each of the Valuation Dates (as defined below), of Danaher common stock on the New York Stock Exchange ( NYSE ) and NetScout common stock on the NASDAQ Global Market ( NASDAQ ) on each of the last three trading days ( Valuation Dates ) of the exchange offer period, as it may be voluntarily extended, but not including the last two trading days that are part of any Mandatory Extension (as described below). Based on an expiration date of July 8, 2015, the Valuation Dates are expected to be July 6, 2015, July 7, 2015, and July 8, 2015. See This Exchange Offer Terms of this Exchange Offer.*

*This exchange offer is designed to permit you to exchange your shares of Danaher common stock for Newco common units at a 7% discount to the per-share value of NetScout common stock, calculated as set forth in this prospectus subject to the upper limit described below. For each \$100 of Danaher common stock accepted in this exchange offer, you will receive approximately \$107.53 of Newco common units, subject to an upper limit of 2.2522 Newco common units per share of Danaher common stock. This exchange offer does not provide for a minimum exchange ratio. See*

*This Exchange Offer Terms of this Exchange Offer. If the upper limit is in effect, then the exchange ratio will be fixed at that limit and this exchange offer will be automatically extended (a Mandatory Extension ) until 12:00 midnight New York City time, on the second trading day following the originally contemplated expiration date to permit stockholders to tender or withdraw their Danaher common stock during that period. **IF THE UPPER LIMIT IS IN EFFECT, AND UNLESS YOU PROPERLY WITHDRAW YOUR SHARES, YOU MAY RECEIVE LESS THAN \$107.53 OF NEWCO COMMON UNITS FOR EACH \$100 OF DANAHER COMMON STOCK THAT YOU TENDER, AND YOU COULD RECEIVE MUCH LESS.***

*The indicative exchange ratio that would have been in effect following the official close of trading on the NYSE and NASDAQ, as applicable, on May 12, 2015 (the second to last trading day before the date of this prospectus), based on the daily VWAPs of Danaher common stock and NetScout common stock on May 8, 2015, May 11, 2015, and May 12, 2015, would have provided for 2.1796 Newco common units to be exchanged for every share of Danaher common stock accepted. The value of Newco common units received and, following the First Merger, the value of NetScout common stock received may not remain above the value of Danaher common stock tendered following the expiration of this exchange offer.*

*THIS EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JULY 8, 2015, UNLESS THE OFFER IS EXTENDED OR TERMINATED. SHARES OF DANAHER COMMON STOCK TENDERED PURSUANT TO THIS EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION OF THIS EXCHANGE OFFER.*

*In reviewing this prospectus, you should carefully consider the risk factors beginning on page 49 of this prospectus.*

*We Are Not Asking You for a Proxy and You are Requested Not To Send Us a Proxy.*

*Neither the U.S. Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.*

**The date of this prospectus is May [ ], 2015.**

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**This prospectus incorporates by reference important business and financial information about Danaher and NetScout from documents filed with the SEC that have not been included in or delivered with this prospectus.**

**This information is available without charge at the website that the SEC maintains at [www.sec.gov](http://www.sec.gov), as well as from other sources. See **Where You Can Find More Information; Incorporation By Reference**. You also may ask any questions about this exchange offer or request copies of the exchange offer documents and the other information incorporated by reference in this prospectus, without charge, upon written or oral request to Danaher's information agent, Georgeson Inc., located at 480 Washington**

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Boulevard, 26th Floor, Jersey City, NJ, 07310, at the telephone number (866) 295-3782 or at the email address [danaherexchange@georgeson.com](mailto:danaherexchange@georgeson.com). In order to receive timely delivery of the documents, you must make your requests no later than June 30, 2015.

All information contained or incorporated by reference in this prospectus with respect to NetScout, Merger Sub, 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 prospectus with respect to Danaher, Newco or their respective subsidiaries, or the Communications Business, and with respect to the terms and conditions of the exchange offer has been provided by Danaher. This prospectus 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.

This prospectus is not an offer to sell or exchange and it is not a solicitation of an offer to buy any shares of Danaher common stock, Newco common units or NetScout common stock in any jurisdiction in which the offer, sale or exchange is not permitted. Non-U.S. stockholders should consult their advisors in considering whether they may participate in the exchange offer in accordance with the laws of their home countries and, if they do participate, whether there are any restrictions or limitations on transactions in the Newco common units that may apply in their home countries. Danaher, Newco and NetScout cannot provide any assurance about whether such limitations may exist. See **The Exchange Offer Certain Matters Relating to Non-U.S. Jurisdictions** for additional information about limitations on the exchange offer outside the United States.

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

<b>Abbreviation/Term</b>	<b>Description</b>
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 or in connection with 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, 2014 and December 31, 2013 and the three years in the period ended December 31, 2014 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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<b>Abbreviation/Term</b>	<b>Description</b>
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 an exchange offer followed, if necessary, by a spin-off
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
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

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<b>Abbreviation/Term</b>	<b>Description</b>
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
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

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<b>Abbreviation/Term</b>	<b>Description</b>
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 operating agreement	The Limited Liability Company Agreement of Potomac Holding LLC, dated as of October 11, 2014 (as may be amended)
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
New York City time	Local time in the City of New York
NYSE	The New York Stock Exchange

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<b>Abbreviation/Term</b>	<b>Description</b>
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) (as defined in the Distribution Agreement) the Communications Assets (as defined in the Distribution Agreement), the Communications Liabilities (as defined in the Distribution Agreement) 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 and/or the transfer of certain assets or liabilities of the Communications Business directly to NetScout or one or more subsidiaries of NetScout pursuant to any other arrangement entered into between NetScout and Danaher to effect such transfer
Separation Date	The effective date of the Separation
Separation Time	The effective time of the Separation
The spin-off	The distribution of 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 exchange offer is not fully subscribed.
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 all other transactions, contemplated by the Transaction Documents
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



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<b>Abbreviation/Term</b>	<b>Description</b>
Valuation Dates	The last three trading days of the exchange offer period, as it may be voluntarily extended, but not including the last two trading days that are part of any Mandatory Extension
Voting Agreement	The Voting Agreement, dated as of October 12, 2014, between Danaher and Anil Singhal
VWAP	Volume-weighted average price

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**QUESTIONS AND ANSWERS ABOUT THIS EXCHANGE OFFER AND THE TRANSACTIONS**

The following are some of the questions that Danaher 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 prospectus, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this prospectus. You are urged to read this prospectus in its entirety prior to making any decision.

**General Questions and Answers About This Prospectus, The Transactions and Related Timeline**

**Q: What transactions does this prospectus relate to?**

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 prospectus, govern the relationship among Danaher, Newco, NetScout and their respective affiliates after the Separation, the Distribution and the Mergers.

On the closing date of the Mergers, Danaher will distribute Newco common units to its participating stockholders in an exchange offer. If the exchange offer is consummated but is not fully subscribed, Danaher will distribute the remaining Newco common units on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer. Any Danaher stockholder who validly tenders (and does not properly withdraw) shares of Danaher common stock for Newco common units in the exchange offer will waive, with respect to such shares, their rights to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the event the exchange offer is not fully subscribed. If there is a pro rata distribution, the exchange agent will calculate the exact number of Newco common units not exchanged in the exchange offer and to be distributed on a pro rata basis, and the number of shares of NetScout common stock into which the remaining Newco common units will be converted in the First Merger will be transferred to Danaher stockholders (after giving effect to the consummation of the exchange offer) as promptly as practicable thereafter.

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.

**Q: What is the Timeline for the Transactions Described Above?**

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 prospectus.

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 Danaher certain assets and liabilities

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constituting the Communications Business, and will cause any applicable subsidiary of Danaher to convey to Danaher or its designated subsidiary (other than Newco or any of Newco's subsidiaries) its certain excluded assets and excluded liabilities in order to separate and consolidate the Communications Business.

Immediately thereafter, Danaher will contribute all the equity interests in each such subsidiary of Danaher holding assets and liabilities constituting the Communications Business to Newco in exchange for Newco common units. In addition, certain assets, liabilities and employees of the Communications Business may be transferred directly to NetScout or one or more subsidiaries of NetScout.

2. **Step #2 The Distribution Exchange Offer and Spin-Off.** On the closing date of the Mergers, Danaher will distribute 100% of the Newco common units to Danaher stockholders through an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution. 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.

**Q: What are Danaher's reasons for pursuing the Transactions described in this prospectus?**

A: In reaching its decision to approve the Merger Agreement, the Distribution Agreement and the Transactions, Danaher's board of directors considered a wide variety of factors, including the significant factors listed below, as generally supporting its decision:

the value creation expected to result from combining the Communications Business with NetScout, and the ability of pre-First Merger holders of Newco common units and Newco Employees to own approximately 59.5% of NetScout on a fully-diluted basis after giving effect to the Transactions and participate in the future upside of the combined company;

the complementary nature of the product and service offerings of the Communications Business and those of NetScout, the combination of which is expected to enhance the offerings of both companies to customers and solidify the position of the combined company as a premier, global communications and data solutions

provider;

the resources of the Communications Business outside of the United States, and the opportunities that such resources will present for NetScout's operations to expand to other markets as a result of the Transactions;

the expectation that the Separation, the Distribution and the Mergers generally would result in a tax-efficient disposition of the Communications Business for Danaher and Danaher's stockholders, while a sale of the Communications Business for cash generally would result in a taxable disposition for Danaher;

NetScout's business prospects and expected synergies after giving effect to the proposed acquisition of the Communications Business;

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the reports of Danaher's senior management regarding their due diligence review of NetScout's business; and

the review by the board of directors of the structure and terms of the Merger Agreement, the Distribution Agreement and the Transactions, including the parties' representations, warranties and covenants, the conditions to their respective obligations and the termination provisions, as well as the likelihood of consummation of the Transactions and the board's evaluation of the likely time period necessary to close the Transactions.

In the course of its deliberations, the Danaher board of directors also considered a variety of risks and other potentially negative factors as set forth in the section entitled "Danaher's Reasons for the Transactions."

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

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's 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 market and further enhance its capabilities in the advanced analytics (business intelligence) market, in which such markets 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 service provider customers.

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

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.

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**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 Communications Business. NetScout anticipates that a significant portion of the initial cost 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 were the result of extensive arm's-length negotiations, that the Transactions would not require NetScout to deplete cash resources or incur debt, the opinion, dated October 12, 2014, of RBC Capital Markets, LLC ( 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 to be paid by NetScout in the First Merger, 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.

## **Questions and Answers About The Exchange Offer**

### **Q: Who may participate in this Exchange Offer?**

A: Any U.S. holders of Danaher common stock during the exchange offer period may participate in this exchange offer. Although Danaher has mailed this prospectus to its stockholders to the extent required by U.S. law, including stockholders located outside the United States, this prospectus is not an offer to buy, sell or exchange and it is not a solicitation of an offer to buy or sell any shares of Danaher common stock, shares of NetScout common stock or Newco common units in any jurisdiction in which such offer, sale or exchange is not permitted. Countries outside the United States generally have their own legal requirements that govern securities offerings made to persons resident in those countries and often impose stringent requirements about the form and content of offers made to the general public. None of Danaher, NetScout or Newco has taken any action under non-U.S. regulations to facilitate a public offer to exchange the shares of Danaher common stock, shares of NetScout common stock or Newco common units outside the United States. Accordingly, the ability of any non-U.S. person to tender shares of Danaher common stock in the exchange offer will depend on whether there is an exemption available under the laws of such person's home country that would permit the person to participate in the exchange offer without the need for Danaher, NetScout or Newco to take any action to facilitate a public offering in that country or otherwise. For example, some countries exempt transactions from the rules governing public offerings if they involve persons who meet certain eligibility requirements relating to their status as sophisticated or professional investors.



The legal limitations described under this heading could prevent certain holders of Danaher common stock from participating in the exchange offer, which could cause the exchange offer to be undersubscribed.

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Non-U.S. stockholders should consult their advisors in considering whether they may participate in the exchange offer in accordance with the laws of their home countries and, if they do participate, whether there are any restrictions or limitations on transactions in the shares of Danaher common stock, Newco common units or shares of NetScout common stock that may apply in their home countries. None of Danaher, NetScout or Newco can provide any assurance about whether such limitations may exist. See [This Exchange Offer Certain Matters Relating to Non-U.S. Jurisdictions](#) for additional information about limitations on the exchange offer outside the United States.

**Q: How many Newco common units will I receive for each share of Danaher common stock that I tender?**

A: This exchange offer is designed to permit you to exchange your shares of Danaher common stock for Newco common units at a price per share equal to a 7% discount to the per-share value of NetScout common stock, calculated as set forth in this prospectus. Stated another way, for each \$100 of your Danaher common stock accepted in this exchange offer, you will receive approximately \$107.53 of Newco common units. The value of the Danaher common stock will be based on the calculated per-share value for the Danaher common stock on the NYSE and the value of the Newco common units will be based on the calculated per-share value for NetScout common stock on NASDAQ, in each case determined by reference to the simple arithmetic average of the daily VWAP on each of the Valuation Dates. Please note, however, that:

The number of units you can receive is subject to an upper limit of an aggregate of 2.2522 Newco common units for each share of Danaher common stock accepted in this exchange offer. The next question and answer below describes how this limit may impact the value you receive.

This exchange offer does not provide for a minimum exchange ratio. See [This Exchange Offer Terms of this Exchange Offer](#).

Because this exchange offer is subject to proration, Danaher may accept for exchange only a portion of the Danaher common stock tendered by you.

**Q: Is there a limit on the number of Newco common units I can receive for each share of Danaher common stock that I tender?**

A: The number of units you can receive is subject to an upper limit of 2.2522 Newco common units for each share of Danaher common stock accepted in this exchange offer. **If the upper limit is in effect, you may receive less than \$107.53 of Newco common units for each \$100 of Danaher common stock that you tender, and you could receive much less.** For example, if the calculated per-share value of Danaher common stock was \$87.81 (the highest closing price for Danaher common stock on the NYSE during the three-month period prior to commencement of this exchange offer) and the calculated per-unit value of Newco common units was \$38.41 (the lowest closing price for NetScout common stock on NASDAQ during that three-month period), the value of Newco common units, based on the NetScout common stock price, received for shares of Danaher common stock accepted for exchange would be approximately \$98.52 for each \$100 of Danaher common stock accepted for

exchange.

The upper limit would represent a 10% discount for Newco common units based on the average of the daily VWAPs of Danaher common stock on the NYSE and NetScout common stock on NASDAQ on May 8, 2015, May 11, 2015 and May 12, 2015 (the last three trading days ending on the second to last trading day prior to commencement of this exchange offer). Danaher set this upper limit to ensure that an unusual or unexpected drop in the trading price of NetScout common stock, relative to the trading price of Danaher common stock, would not result in an unduly high number of Newco common units being exchanged for each share of Danaher common stock accepted in this exchange offer.

**Q: How and when will I know if the upper limit is in effect?**

A: Danaher will announce whether the upper limit on the number of shares that can be received for each share of Danaher common stock tendered will be in effect at the expiration of the exchange offer period, through <http://www.danaher.com/netscout> and by press release, no later than 4:30 p.m., New York City time, on the

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expiration date. If the upper limit is in effect at that time, then the exchange ratio will be fixed at the upper limit and a Mandatory Extension of this exchange offer will be made until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date to permit stockholders to tender or withdraw their Danaher common stock during those days. The daily VWAP and trading prices of Danaher common stock and NetScout common stock during this Mandatory Extension will not, however, affect the upper limit, which will be fixed at 2.2522. See This Exchange Offer Terms of this Exchange Offer Extension; Termination; Amendment Mandatory Extension.

**Q: How are the calculated per-share values of Danaher common stock and NetScout common stock determined for purposes of calculating the number of Newco common units to be received in this exchange offer?**

A: The calculated per-share value of Danaher common stock and NetScout common stock for purposes of this exchange offer will equal the simple arithmetic average of the daily VWAP of Danaher common stock on the NYSE and NetScout common stock on NASDAQ, as the case may be, on each of the Valuation Dates. Danaher will determine such calculations of the per-share values of Danaher common stock and NetScout common stock and such determination will be final.

**Q: What is the daily volume-weighted average price or daily VWAP?**

A: The daily volume-weighted average price for Danaher common stock and NetScout common stock will be the volume-weighted average price of Danaher common stock on the NYSE and NetScout common stock on NASDAQ during the period beginning at 9:30 a.m., New York City time (or such other time as is the official open of trading on the NYSE and NASDAQ), and ending at 4:00 p.m., New York City time (or such other time as is the official close of trading on the NYSE and NASDAQ), except that such data will only take into account adjustments made to reported trades included by 4:10 p.m., New York City time. The daily VWAP will be as reported by Bloomberg L.P. displayed under the heading Bloomberg VWAP on the Bloomberg pages DHR UN<Equity>AQR with respect to Danaher common stock and NTCT UW<Equity>AQR with respect to NetScout common stock (or their equivalent successor pages if such pages are not available). The daily VWAPs provided by Bloomberg L.P. may be different from other sources of volume weighted average prices or investors or security holders own calculations of volume weighted average prices.

**Q: Where can I find the daily VWAP of Danaher common stock and NetScout common stock during the exchange offer period?**

A: Danaher will maintain a website at <http://www.danaher.com/netscout> that provides the daily VWAP of both Danaher common stock and NetScout common stock, together with indicative exchange ratios, which will be made available commencing after the close of trading on the third trading day of the exchange offer, for each day during this exchange offer. During the period of the Valuation Dates, when the values of Danaher common stock and NetScout common stock are calculated for the purposes of this exchange offer, the website will show the indicative exchange ratios based on indicative calculated per-share values calculated by Danaher, which will equal (i) on the first Valuation Date, the intra-day VWAP during the elapsed portion of that day, (ii) on the

second Valuation Date, the intra-day VWAP during the elapsed portion of that day averaged with the actual daily VWAP on the first Valuation Date and (iii) on the third Valuation Date, the intra-day VWAP during the elapsed portion of that day averaged with the actual daily VWAP on the first Valuation Date and with the actual daily VWAP on the second Valuation Date. During this period, the indicative exchange ratios and calculated per-share values will be updated at 10:30 a.m., 1:30 p.m. and no later than 4:30 p.m., New York City time.

**Q: Why is the calculated per-share value for Newco common units based on the trading prices for NetScout common stock?**

A: There is currently no trading market for Newco common units and no such trading market will be established in the future. Danaher believes, however, that the trading prices for NetScout common stock are an appropriate

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proxy for the trading prices of Newco common units because (i) 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 fully paid and nonassessable 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, (ii) prior to the consummation of the exchange offer, 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, and (iii) at the Valuation Dates, it is expected that all the major conditions to the consummation of the First Merger will have been satisfied and the First Merger will be expected to be consummated shortly, such that investors should be expected to be valuing NetScout common stock based on the expected value of such NetScout common stock immediately after the Mergers. There can be no assurance, however, that NetScout common stock after the Mergers will trade on the same basis as NetScout common stock trades prior to the Mergers. See Risk Factors Risks Related to the Exchange Offer The trading prices of NetScout common stock may not be an appropriate proxy for the prices of Newco common units.

**Q: How and when will I know the final exchange ratio?**

A: Subject to the possible Mandatory Extension of this exchange offer described below, the final exchange ratio showing the number of Newco common units that you will receive for each share of Danaher common stock accepted in this exchange offer will be available at <http://www.danaher.com/netscout> no later than 4:30 p.m., New York City time, on the expiration date and separately announced by press release. In addition, as described below, you may also contact the information agent to obtain these indicative exchange ratios and the final exchange ratio at its toll free number provided on the back cover of this prospectus. Danaher will announce whether the upper limit on the number of shares that can be received for each share of Danaher common stock tendered is in effect at <http://www.danaher.com/netscout> and separately by press release, no later than 4:30 p.m., New York City time, on the expiration date. If the upper limit is in effect at that time, then the exchange ratio will be fixed at the upper limit and a Mandatory Extension until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date will be made to permit stockholders to tender or withdraw their Danaher common stock during those days.

**Q: Will indicative exchange ratios be provided during the exchange offer period?**

A: Yes. Indicative exchange ratios will be available commencing after the close of trading on the third trading day of the exchange offer by contacting the information agent at the toll-free number provided on the back cover of this prospectus and at <http://www.danaher.com/netscout> on each trading day during the exchange offer period, calculated as though that day were the expiration date of this exchange offer. The indicative exchange ratio will also reflect whether the upper limit on the exchange ratio, described above, would have been in effect. During the period of the Valuation Dates, when the per-share values of Danaher common stock and per-unit values of Newco common units are calculated for the purposes of this exchange offer, the website will show the indicative exchange ratios based on indicative calculated per-share and per-unit values which will equal (i) on the first

Valuation Date, the intra-day VWAP during the elapsed portion of that day, (ii) on the second Valuation Date, the intra-day VWAP during the elapsed portion of that day averaged with the actual daily VWAP on the first Valuation Date and (iii) on the third Valuation Date, the intra-day VWAP during the elapsed portion of that day averaged with the actual daily VWAP on the first Valuation Date and with the actual daily VWAP on the second Valuation Date.

In addition, for purposes of illustration, a table that indicates the number of Newco common units that you would receive per share of Danaher common stock, calculated on the basis described above and taking into

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account the upper limit, assuming a range of averages of the daily VWAP of Danaher common stock and NetScout common stock on the Valuation Dates, is provided under [This Exchange Offer Terms of this Exchange Offer](#).

**Q: What if Danaher common stock or NetScout common stock does not trade on any of the Valuation Dates?**

A: If a market disruption event occurs with respect to Danaher common stock or NetScout common stock on any of the Valuation Dates, the calculated per-share value of Danaher common stock and per-unit value of Newco common units will be determined using the daily VWAP of shares of Danaher common stock and shares of NetScout common stock on the preceding trading day or days, as the case may be, on which no market disruption event occurred with respect to either Danaher common stock and NetScout common stock. If, however, a market disruption event occurs as specified above, Danaher may terminate or extend this exchange offer if, in its reasonable judgment, the market disruption event has impaired the benefits of this exchange offer to Danaher. For specific information as to what would constitute a market disruption event, see [This Exchange Offer Conditions for Consummation of this Exchange Offer](#).

**Q: Are there circumstances under which I would receive fewer Newco common units than I would have received if the exchange ratio were determined using the closing prices of Danaher common stock and NetScout common stock on the expiration date of this exchange offer?**

A: Yes. For example, if the trading price of Danaher common stock were to increase during the period of the Valuation Dates or after the date the exchange ratio is set, the calculated per-share value of Danaher common stock would likely be lower than the closing price of Danaher common stock on the expiration date of this exchange offer. As a result, you may receive fewer Newco common units for each \$100 of Danaher common stock than you would have if that per-share value were calculated on the basis of the closing price of Danaher common stock on the expiration date. Similarly, if the trading price of NetScout common stock were to decrease during the period of the Valuation Dates or after the date the exchange ratio is set, the calculated per-unit value of Newco common units would likely be higher than the closing price of NetScout common stock on the expiration date. This could also result in you receiving fewer Newco common units for each \$100 of Danaher common stock than you would otherwise receive if that per-unit value were calculated on the basis of the closing price of NetScout common stock on the expiration date of this exchange offer. See [This Exchange Offer Terms of this Exchange Offer](#).

**Q: Will fractional shares of NetScout common stock be distributed?**

A: Upon consummation of this exchange offer, the exchange offer agent will hold the Newco common units as agent for the holders of Danaher common stock who validly tendered their shares and, in case of a pro rata distribution, for the holders of record of Danaher common stock for the pro rata spin-off distribution (in the event the exchange offer is not fully subscribed). Immediately following the consummation of this exchange offer, and by means of 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. In this conversion of Newco common units into shares of NetScout common stock, no fractional shares of NetScout common stock will be delivered to holders of Newco common units. Instead, holders of Newco common units who would otherwise be entitled to receive a fractional share of NetScout common stock (after aggregating all fractional shares of NetScout common stock issuable to such holder) will receive in cash the dollar amount (rounded to the nearest whole cent) determined by multiplying such fraction by the closing price of NetScout common stock on NASDAQ on the last business day prior to the effective time of the First Merger. The amount received by such holders of Newco common units will be net of any required withholding taxes.

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**Q: What is the aggregate number of Newco common units being offered in this exchange offer?**

A: In this exchange offer, Danaher is offering to exchange all of the Newco common units held by it. In addition, Newco will authorize the issuance of a number of Newco common units such that the total number of Newco common units immediately prior to the First Merger will be equal to 62.5 million plus the product of 1.46 multiplied by 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. See [This Exchange Offer Terms of this Exchange Offer](#).

**Q: What happens if not enough shares of Danaher common stock are tendered to allow Danaher to exchange all of the Newco common units it holds?**

A: If this exchange offer is consummated but less than all Newco common units are exchanged because this exchange offer is not fully subscribed, the additional Newco common units owned by Danaher will be distributed in the spin-off on a pro rata basis to the holders of shares of Danaher common stock as of the record date. The record date for the spin-off will be formally announced by press release by Danaher. Any Danaher stockholder who validly tenders (and does not properly withdraw) shares of Danaher common stock for Newco common units in the exchange offer will waive their rights with respect to such shares to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the spin-off in the event the exchange offer is not fully subscribed.

Upon the consummation of this exchange offer prior to the effective time of the First Merger, Danaher will deliver to the exchange offer agent, and the exchange offer agent will hold, for the account of the relevant Danaher stockholders, the global certificate(s) representing all of the Newco common units being distributed in this exchange offer and subsequent spin-off, if any, with instructions to hold the Newco common units as agent for holders of shares of Danaher common stock validly tendered and not withdrawn and holders of shares of Danaher common stock as of the distribution date of a pro rata distribution, if any. The exchange offer agent will calculate the exact number of Newco common units not accepted at the expiration of this exchange offer and to be distributed on a pro rata basis on the date of the spin-off, if any, and that number of Newco common units will be held as agent for the holders of shares of Danaher common stock remaining after the consummation of the exchange offer. See [This Exchange Offer Distribution of Newco Common Units Remaining After This Exchange Offer](#).

**Q: Will all shares of Danaher common stock that I tender be accepted in this exchange offer?**

A: Not necessarily. Depending on the number of shares of Danaher common stock validly tendered in this exchange offer and not properly withdrawn, the calculated per-share value of Danaher common stock and the per-unit value of Newco common units determined as described above, Danaher may have to limit the number of shares of Danaher common stock that it accepts in this exchange offer through a proration process. Any proration of the number of shares accepted in this exchange offer will be determined on the basis of the proration mechanics described under [This Exchange Offer Terms of this Exchange Offer Proration; Odd-Lots](#).

An exception to proration can apply to stockholders (other than plan participants in the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan) who beneficially own odd lots, that is, fewer than 100 shares of

Danaher common stock. Such beneficial holders of Danaher common stock who validly tender all of their shares will not be subject to proration.

In all other cases, proration for each tendering stockholder will be based on (i) the proportion that the total number of shares of Danaher common stock to be accepted bears to the total number of shares of Danaher common stock validly tendered and not properly withdrawn and (ii) the number of shares of Danaher common stock validly tendered and not properly withdrawn by that stockholder (and not on that stockholder's aggregate ownership of shares of Danaher common stock). Any shares of Danaher common stock not accepted for exchange as a result of proration will be returned to tendering stockholders promptly after the final proration factor is determined.

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**Q: Will I be able to sell my Newco common units after this exchange offer is completed?**

A: No. There currently is no trading market for Newco common units and no such trading market will be established in the future.

**Q: How many shares of Danaher common stock will Danaher accept if this exchange offer is completed?**

A: The number of shares of Danaher common stock that will be accepted if this exchange offer is completed will depend on the final exchange ratio, the number of Newco common units offered and the number of shares of Danaher common stock tendered. Assuming this exchange offer is fully subscribed, the largest possible number of shares of Danaher common stock that will be accepted would equal 62,500,000 (the number of Newco common units being offered in this exchange offer, assuming no adjustment as a result of shares being issued in acquisitions by NetScout between the date of the Merger Agreement and the closing date of the Mergers) divided by the final exchange ratio. For example, assuming that the final exchange ratio is 2.1796 (the current indicative exchange ratio based on the daily VWAPs of Danaher common stock and NetScout common stock on May 8, 2015, May 11, 2015 and May 12, 2015), then Danaher would accept up to a total of approximately 28,674,986 shares of Danaher common stock.

**Q: Are there any conditions to Danaher's obligation to complete this exchange offer?**

A: Yes. This exchange offer is subject to various conditions listed under [This Exchange Offer Conditions for Consummation of this Exchange Offer](#). If any of these conditions are not satisfied or waived prior to the expiration of this exchange offer, Danaher will not be required to accept shares for exchange and may extend or terminate this exchange offer.

Danaher may waive any of the conditions to this exchange offer prior to the expiration of this exchange offer. For a description of the material conditions precedent to this exchange offer, including satisfaction or waiver of the conditions to the Transactions, the receipt of NetScout stockholder approval of the issuance of shares of NetScout common stock in connection with the First Merger, and other conditions, see [This Exchange Offer Conditions for Consummation of this Exchange Offer](#). Newco has no right to waive any of the conditions to this exchange offer. NetScout has no right to waive any of the conditions to this exchange offer (other than certain conditions relating to the other transactions).

**Q: When does this exchange offer expire?**

A: The period during which you are permitted to tender your shares of Danaher common stock in this exchange offer will expire at 12:00 midnight, New York City time, on July 8, 2015, unless Danaher extends this exchange offer. See [This Exchange Offer Terms of this Exchange Offer Extension; Termination; Amendment](#).

**Q: Can this exchange offer be extended and under what circumstances?**

A: Yes. Subject to its compliance with the Merger Agreement, Danaher can extend this exchange offer, in its sole discretion, at any time and from time to time. For instance, this exchange offer may be extended if any of the conditions for consummation of this exchange offer listed under This Exchange Offer Conditions for Consummation of this Exchange Offer are not satisfied or waived prior to the expiration of this exchange offer. In case of an extension of this exchange offer, Danaher will publicly announce the extension by press release no later than 9:00 a.m., New York City time, on the next business day following the previously scheduled expiration date. In addition, if the upper limit on the number of shares that can be received for each share of Danaher common stock tendered is in effect at the expiration of the exchange offer period, then the exchange ratio will be fixed at the upper limit and a Mandatory Extension of this exchange offer will be made until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date to permit stockholders to tender or withdraw their Danaher common stock during that period.

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**Q: How do I participate in this exchange offer?**

A: The procedures you must follow to participate in this exchange offer will depend on whether you hold your shares of Danaher common stock in certificated form, through a bank or trust company or broker, as a participant in the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan, or if your shares of Danaher common stock are held in book-entry via the Direct Registration System ( DRS ). For specific instructions about how to participate, see This Exchange Offer Terms of this Exchange Offer Procedures for Tendering.

**Q: What if I participate in the Danaher Stock Fund through the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan?**

A: If you hold shares of Danaher common stock in your account under the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan, you can elect to either keep your shares of Danaher common stock or exchange some or all of your shares of Danaher common stock for Newco common units in the exchange offer. You will receive instructions from the applicable plan record keeper via letter or email informing you how to make an election and the deadline for making an election. If you do not make an active election prior to the applicable deadline, none of the shares of Danaher common stock in your account will be exchanged for Newco common units.

For specific instructions about how to tender the shares of Danaher common stock held in your account, see This Exchange Offer Terms of This Exchange Offer Procedures for Tendering.

If you do not elect to exchange some or all of the shares of Danaher common stock held in your account for Newco common units, you may still receive Newco common units in the spin-off (in the event the exchange offer is not fully subscribed) in respect of the shares of Danaher common stock held in your account. Upon the closing of the Mergers, any Newco common units held in your account will be converted into shares of NetScout common stock.

After the closing of the Mergers, the plan fiduciary responsible for evaluating the propriety of investment options under the applicable plan may conclude that the plan will no longer maintain a NetScout stock fund, in which case you may be required to sell the shares of NetScout common stock held in your account and reallocate the sale proceeds to one or more of the other investment options within the applicable plan.

**Q: How do I tender my shares of Danaher common stock after the final exchange ratio has been determined?**

A: If you wish to tender your shares after the final exchange ratio has been determined, you will generally need to do so by means of delivering a notice of guaranteed delivery and complying with the guaranteed delivery procedures described in the section entitled This Exchange Offer Terms of this Exchange Offer Procedures for Tendering Guaranteed Delivery Procedures. If you hold shares of Danaher common stock through a broker, dealer, commercial bank, trust company or similar institution, that institution must tender your shares on your behalf.

If your shares of Danaher common stock are held through an institution and you wish to tender your Danaher common stock after The Depository Trust Company has closed, the institution must deliver a notice of guaranteed delivery to the exchange offer agent prior to the expiration of the exchange offer at 12:00 midnight, New York City time, on the expiration date of the exchange offer.

**Q: Can I tender only a portion of my shares of Danaher common stock in this exchange offer?**

A: Yes. You may tender all, some or none of your shares of Danaher common stock.

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**Q: What do I do if I want to retain all of my shares of Danaher common stock?**

A: If you want to retain all of your shares of Danaher common stock, you do not need to take any action. However, after the consummation of the Transactions, the Communications Business will no longer be owned by Danaher, and as a holder of Danaher common stock you will no longer hold shares in a company that owns the Communications Business (unless the exchange offer is consummated but is not fully subscribed and the remaining Newco common units are distributed on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer).

**Q: Can I change my mind after I tender my shares of Danaher common stock and before the exchange offer expires?**

A: Yes. You may withdraw your tendered shares at any time before this exchange offer expires. See This Exchange Offer Terms of this Exchange Offer Withdrawal Rights. If you change your mind again, you can re-tender your shares of Danaher common stock by following the tender procedures again prior to the expiration of this exchange offer.

**Q: Will I be able to withdraw the shares of Danaher common stock I tender after the final exchange ratio has been determined?**

A: Yes. The final exchange ratio used to determine the number of Newco common units that you will receive for each share of Danaher common stock accepted in this exchange offer will be announced no later than 4:30 p.m., New York City time, on the expiration date of this exchange offer. You have the right to withdraw shares of Danaher common stock you have tendered at any time before 12:00 midnight, New York City time, on the expiration date. See This Exchange Offer Terms of this Exchange Offer.

If the upper limit on the number of Newco common units that can be received for each share of Danaher common stock tendered is in effect at the expiration of the exchange offer period, then the exchange ratio will be fixed at the upper limit and a Mandatory Extension of this exchange offer until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date will be made to permit you to tender or withdraw your Danaher common stock during those days, either directly or by acting through a broker, dealer, commercial bank, trust company or similar institution on your behalf.

**Q: How do I withdraw my tendered Danaher common stock after the final exchange ratio has been determined?**

A: If you are a registered holder of Danaher common stock (which includes persons holding certificated shares and book-entry shares held through DRS) and you wish to withdraw your shares after the final exchange ratio has been determined, then you must deliver a written notice of withdrawal or a facsimile transmission notice of withdrawal to the exchange offer agent prior to 12:00 midnight, New York City time, on the expiration date. The information that must be included in that notice is specified under This Exchange Offer Terms of this Exchange



Offer Withdrawal Rights.

If you hold your shares through a broker, dealer, commercial bank, trust company or similar institution, you should consult that institution on the procedures you must comply with and the time by which such procedures must be completed in order for that institution to provide a written notice of withdrawal or facsimile notice of withdrawal to the exchange offer agent on your behalf before 12:00 midnight, New York City time, on the expiration date. If you hold your shares through such an institution, that institution must deliver the notice of withdrawal with respect to any shares you wish to withdraw. In such a case, as a beneficial owner and not a registered stockholder, you will not be able to provide a notice of withdrawal for such shares directly to the exchange offer agent.

If your shares of Danaher common stock are held through an institution and you wish to withdraw shares of Danaher common stock after The Depository Trust Company has closed, the institution must deliver a written notice of withdrawal to the exchange offer agent prior to 12:00 midnight, New York City time, on

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the expiration date, in the form of The Depository Trust Company's notice of withdrawal and you must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn shares and must otherwise comply with The Depository Trust Company's procedures. See This Exchange Offer Terms of this Exchange Offer Withdrawal Rights Withdrawing Your Shares After the Close of Business on the Expiration Date.

**Q: Are there any material differences between the rights of holders of Danaher common stock and NetScout common stock?**

A: Yes. While each of Danaher and NetScout is a Delaware corporation, each is subject to different organizational documents. Holders of Danaher common stock, whose rights are currently governed by Danaher's organizational documents, will, with respect to the shares validly tendered and exchanged immediately following this exchange offer, become stockholders of NetScout and their rights will be governed by NetScout's organizational documents. The material differences between the rights associated with Danaher common stock and NetScout common stock that may affect Danaher stockholders whose shares are accepted for exchange in this exchange offer and who will obtain shares of NetScout common stock in the Mergers, relate to, among other things, classification of the board of directors, removal of directors, taking of stockholder action by written consent, advance notice procedures for stockholder proposals or director nominations, procedures and voting thresholds for amending organizational documents and approval of certain business combinations. For a further discussion of the material differences between the rights of holders of Danaher common stock and NetScout common stock, see the section entitled Comparison of Rights of Holders of Danaher Common Stock and NetScout Common Stock. For a more complete description of the characteristics of the combined company's business, see Information on NetScout NetScout's Business After the Transactions beginning on page 79.

**Q: Are there any appraisal rights for holders of shares of Danaher common stock?**

A: There are no appraisal rights available to holders of shares of Danaher common stock in connection with this exchange offer.

**Q: What will Danaher do with the shares of Danaher common stock that are tendered, and what is the impact of the exchange offer on Danaher's share count?**

A: The shares of Danaher common stock that are tendered in the exchange offer will be held as treasury stock by Danaher. Any shares of Danaher common stock acquired by Danaher in the exchange offer will reduce the total number of shares of Danaher common stock outstanding, although Danaher's actual number of shares outstanding on a given date reflects a variety of factors such as option exercises.

**Q: What will happen to any remaining Newco common units owned by Danaher in the spin-off following the consummation of this exchange offer?**

- A: In the event that this exchange offer is not fully subscribed, any remaining Newco common units owned by Danaher that are not exchanged in this exchange offer will be distributed on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding following the consummation of this exchange offer. Upon the consummation of this exchange offer prior to the effective time of the First Merger, Danaher will deliver to the exchange offer agent, and the exchange offer agent 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. Prior to or at the effective time of the First Merger, NetScout will deposit with the merger exchange agent evidence in book-entry form representing the shares of NetScout common stock issuable in the First Merger. Such shares of NetScout common stock will be delivered promptly following the effectiveness of the First Merger, pursuant to the procedures determined by the exchange offer agent and the merger exchange agent. See This Exchange Offer Terms of this Exchange Offer Exchange of Shares of Danaher Common Stock. If this exchange offer is terminated by Danaher on or prior to the expiration date of this exchange offer without the exchange

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of shares, but the conditions for consummation of the Transactions have otherwise been satisfied, Danaher intends to distribute all Newco common units owned by Danaher on a pro rata basis to holders of Danaher common stock, with a record date to be announced by Danaher. Such distributed Newco common units will convert to NetScout common stock in the First Merger.

**Q: If I tender some or all of my shares of Danaher common stock in this exchange offer, will I receive any Newco common units in the spin-off?**

A: Danaher stockholders who validly tender (and do not properly withdraw) shares of Danaher common stock for Newco common units and whose shares are accepted in this exchange offer will waive their rights with respect to such shares to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the spin-off (in the event the exchange offer is not fully subscribed). However, in the event any tendered shares are not accepted in this exchange offer for any reason, including in the event of proration if the exchange offer is oversubscribed, or you do not tender all of your shares of Danaher common stock, such shares will be entitled to receive Newco common units in the spin-off.

**Questions and Answers About the Transactions**

**Q: What are the Transactions described in this prospectus?**

A: The Transactions are designed to effect the transfer of the Communications Business to NetScout. References to the Transactions are to the Separation, the Distribution, the Mergers and related transactions to be entered into by Danaher, NetScout, Merger Sub, Merger Sub II and Newco, including their respective affiliates, as described under The Transactions and elsewhere in this prospectus.

**Q: What will happen in the Separation?**

A: Prior to the First Merger, certain subsidiaries of Danaher will undergo an internal restructuring to separate and consolidate the Communications Business under Newco pursuant to the Distribution Agreement by and among Danaher, NetScout and Newco. See The Transactions Overview beginning on page 126 and The Transactions The Separation and the Distribution beginning on page 129.

**Q: What will happen in the Distribution that occurs prior to the First Merger?**

A: Danaher will transfer certain assets and liabilities related to the Communications Business to Newco or one or more subsidiaries of Danaher, and will cause any applicable subsidiary of Danaher to convey to Danaher or its designed subsidiary (other than Newco or any of Newco's subsidiaries) certain excluded assets and excluded liabilities. Immediately thereafter, Danaher will contribute all the equity interests in each such subsidiary of Danaher holding assets and liabilities constituting the Communications Business 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. In addition, certain assets, liabilities and employees of the Communications Business may be transferred directly to NetScout or one or more subsidiaries of NetScout. Danaher will then distribute 100% of the Newco common units to Danaher stockholders through an exchange offer followed by, if the exchange offer is not fully subscribed, a spin-off distribution. 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 all of the Newco common units. If 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. The exchange offer agent will hold, for the account of the relevant Danaher stockholders (including those who validly tendered their shares in the exchange offer and for the holders of record of Danaher common stock for the pro rata spin-off distribution), the global certificate representing all of the Newco common units, pending the First Merger. In accordance with the terms of the Merger Agreement, the Newco common units delivered to the exchange offer agent will be converted into NetScout common stock at the effective time of the First Merger. Accordingly, in lieu of delivering Newco common units to Danaher

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stockholders that are entitled to the Newco common units in the Distribution, the exchange offer agent will distribute to Danaher stockholders shares of NetScout common stock into which the Newco common units will have converted at the time of the First Merger and cash in lieu of fractional shares (if any). See The Transactions Overview beginning on page 126 and The Transactions The Separation and the Distribution beginning on page 129.

**Q: What will happen in the Mergers?**

A: Under the Merger Agreement and in accordance with the General Corporation Law of the State of Delaware ( DGCL ) and the Delaware Limited Liability Company Act ( 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. 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, Newco, NetScout or Merger Sub) 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 exchange offer, 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 pre-First Merger holders of Newco common units and Newco Employees collectively holding approximately 59.5% of the outstanding equity interests of NetScout on a fully-diluted basis upon completion of the Transactions and NetScout's equityholders 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.

See The Transactions The Mergers beginning on page 130 and The Transactions Calculation of the Merger Consideration beginning on page 131.

**Q: Why will the ownership of NetScout following the Transactions between Danaher equityholders and existing NetScout equityholders be approximately 59.5% and 40.5% on a fully-diluted basis, respectively?**

A: It is expected that upon completion of the Transactions, pre-First Merger holders of Newco common units and Newco Employees will hold approximately 59.5% of NetScout's common stock on a fully-diluted basis and NetScout's existing equityholders will hold approximately 40.5% of NetScout's common stock on a

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fully-diluted basis (subject to adjustment in limited circumstances as provided in the Merger Agreement). The ownership of NetScout following the First Merger was the result of a negotiated value exchange between Danaher and NetScout, which was based upon each party's valuations, prior to the First Merger, of NetScout and the Communications Business. The proposed Transactions are structured as a Reverse Morris Trust acquisition, which is intended to allow a parent company (here, Danaher) to distribute a subsidiary or a business (here, Newco and the Communications Business) in a tax-efficient manner. The first step of such a transaction is the distribution through a dividend (a spin-off), exchange (a split-off) or a combination of a spin-off and split-off of the subsidiary stock to or with the parent company stockholders that is intended to qualify under Section 355 of the Code. The distributed subsidiary then merges with the acquiring third party (here, Merger Sub, a wholly-owned subsidiary of NetScout) in a reorganization that is intended to qualify under Section 368 of the Code. Such a transaction can qualify as tax-free for U.S. federal income tax purposes for the parent company, its stockholders and the acquiring third party's stockholders if the transaction structure meets all applicable requirements, including that the parent company stockholders own more than 50% of the stock of the combined entity immediately after the merger. Therefore, in order to meet all applicable requirements of the Code, Danaher stockholders must own more than 50% of the NetScout common stock outstanding immediately following the First Merger.

**Q: What will Danaher stockholders receive in the Transactions?**

A: In the 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. 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. 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 closing price on NASDAQ of NetScout common stock as of May 1, 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 \$2.7 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 the Distribution* beginning on page 129, *The Transactions The Mergers* beginning on page 130 and *The Transactions Calculation of the Merger Consideration* beginning on page 131.

**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 (which IRS ruling has been received);

the receipt by Danaher of the Tax Opinion;

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

termination of any waiting period applicable to the Mergers under applicable antitrust or competition laws in the United States (which waiting period has been effectively terminated);

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the absence of any Material Adverse Effect (as this term is described in the section of this prospectus entitled "The Merger Agreement Representations and Warranties") with respect to NetScout or the Newco Companies; 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 prospectus describes these conditions in more detail under "The Merger Agreement Conditions to the Merger."

**Q: Are there possible adverse effects on the value of NetScout common stock to be received by Danaher stockholders who participate in the exchange offer?**

A: 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, subject to the upper limit. 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 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: Will the Separation, the Distribution or the Mergers affect the Danaher equity awards held by employees of the Communications Business who become employees of Newco?**

A: Yes. Certain employees of the Communications Business who will become employees of Newco hold options or restricted stock units relating to shares of Danaher common stock. The specific treatment of these awards depends on whether they are vested or scheduled to vest on or before August 4, 2015, or whether they are not scheduled to vest until after August 4, 2015. Each stock option that is held by an employee of the Communications Business who becomes an employee of Newco and is vested and exercisable immediately before the closing of the Mergers or is scheduled to vest on or before August 4, 2015, will generally remain outstanding for 90 days following the later of the closing date of the Mergers or the date the option becomes vested and exercisable. Each restricted stock unit that is held by an employee of the Communications Business who becomes an employee of Newco and is unvested immediately before the

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closing of the Mergers, but is scheduled to vest on or before August 4, 2015, will continue to vest and be settled in accordance with its terms. Each of these stock options and restricted stock units may be equitably adjusted if determined by the Danaher board of directors to be necessary to reflect the impact of the proposed Transactions on the value of shares of Danaher common stock in the manner described in the following Q&A. Danaher does not believe that any adjustments will be made in the event that the exchange offer is fully subscribed. Conversely, any stock options and restricted stock units that are held by an employee of the Communications Business who becomes an employee of Newco and are not vested immediately before the closing of the Mergers or scheduled to vest on or prior to August 4, 2015, will generally be cancelled by Danaher immediately before the closing of the Mergers and replaced by NetScout with a cash retention award and restricted stock units relating to shares of NetScout common stock; provided, however, that if there are adverse tax consequences or compliance issues with this treatment, different treatment may apply as agreed between Danaher and NetScout.

For a more complete description of the treatment of equity awards held by Danaher employees who become employees of Newco, see [Other Agreements Employee Matters Agreement Treatment of Danaher Equity Incentive Awards](#) beginning on page 188.

**Q: Will the Separation, the Distribution or the Mergers affect the Danaher equity awards held by former employees of Danaher and by current employees of Danaher who do not become employees of Newco?**

A: Certain former employees of Danaher and current employees of Danaher who will not become employees of Newco hold options and restricted stock units relating to shares of Danaher common stock. The number and the exercise price of stock options held by former employees of Danaher and by current employees of Danaher who do not become employees of Newco may be adjusted if determined by the Danaher board of directors to be necessary so that there is no change by reason of the proposed Transactions to the intrinsic value of the options (the excess of the fair market value of the underlying shares of Danaher common stock over the option's aggregate exercise price) or the ratio of the aggregate exercise price to the fair market value of the underlying shares of Danaher common stock, and the number of restricted stock units held by these employees may be similarly adjusted to the extent necessary so that there is no change by reason of the proposed Transactions to the aggregate fair market value of the restricted stock units. In addition, any performance based vesting conditions applicable to the restricted stock units may be adjusted if determined by the Danaher board of directors to be necessary to reflect the proposed Transactions.

**Q: What are the material U.S. federal income tax consequences to Danaher stockholders resulting from the Distribution and the Mergers?**

A: Danaher will receive the Tax Opinion from Skadden, Arps, Slate, Meagher & Flom LLP ( Skadden ), to the effect that the Distribution 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 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 pursuant to the exchange offer or spin-off (in the event the exchange offer is not fully subscribed) 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 of NetScout common stock in the First Merger.

Please see Material U.S. Federal Income Tax Consequences of the Transactions for more information regarding the potential tax consequences of the Transactions.

**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 this exchange

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offer) or the Mergers. NetScout stockholders should consult their own tax advisors for a full understanding of the tax consequences to them of the Distribution and the Mergers.

**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 49 and the section entitled Cautionary Statement Concerning Forward-Looking Statements beginning on page 59. 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: Who will serve on the NetScout board of directors following completion of the Mergers?**

A: 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 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: Will NetScout's current senior management team manage the business of NetScout after the Transactions?**

A: Yes. It is expected that NetScout's current management team will remain intact for the combined business, but may be augmented with new management team members from Danaher. The executive officers of NetScout immediately prior to the closing of the Mergers are expected to remain executive officers of NetScout immediately following the closing of the Mergers. The Merger Agreement provides that NetScout and Newco will take all necessary action to appoint certain specified individuals to management and/or executive officer positions at NetScout or Newco as of the effective time of the Mergers.

**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 has scheduled a special meeting of stockholders on June 25, 2015 to approve the issuance of shares of NetScout common stock in the First Merger. 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 May 1, 2015, the record date for the NetScout special meeting, 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 May 1, 2015, in favor of the issuance of shares of NetScout common stock in the First Merger. No vote of Danaher stockholders is required or being sought in connection with the Transactions.

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**Q: Where will the NetScout shares issued in connection with the Mergers be listed?**

A: NetScout common stock is listed on NASDAQ under NTCT. After consummation of the Transactions, all shares of NetScout common stock issued in the Mergers, and all other outstanding shares of NetScout common stock, will continue to be listed on NASDAQ.

**Q: What is the current relationship between Newco and NetScout?**

A: Newco is currently a wholly-owned subsidiary of Danaher and was formed as a Delaware limited liability company in September 29, 2014 to effectuate the Separation, the Distribution and the Mergers. Other than in connection with the Transactions, there is no relationship between Newco and NetScout.

**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 consummation of certain transactions contemplated by the Merger Agreement and the Distribution Agreement (such as the Separation) and receipt of NetScout stockholder approval for the issuance of shares of NetScout common stock in the First Merger. 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, and the receipt of the Tax Opinion. NetScout and Danaher anticipate that the transfer of certain assets and liabilities of the Communications Business will be completed after the closing date of the Mergers due to regulatory and other delays in certain jurisdictions outside the United States. 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 159, *The Merger Agreement Conditions to the Merger* beginning on page 175, and *The Distribution Agreement Conditions to the Separation* beginning on page 184.

**Q: When is the termination date of the Merger Agreement?**

A: Subject to specified qualifications and exceptions, either Danaher or NetScout may terminate the Merger Agreement at any time prior to the consummation of the First Merger if the First Merger has not been consummated by October 12, 2015.

**Q: Who can answer my questions about the Transactions or the exchange offer?**

A: If you have any questions about the Transactions or the exchange offer or you would like to request additional documents, including copies of this prospectus and the letter of transmittal (including the instructions thereto),



please contact the information agent, Georgeson Inc., located at 480 Washington Boulevard, 26th Floor, Jersey City, NJ, 07310, at the telephone number (866) 295-3782 or at the email address [danaherexchange@georgeson.com](mailto:danaherexchange@georgeson.com).

**Q: Who is the transfer agent for NetScout common stock and the exchange offer agent for the Distribution?**

A: Computershare Trust Company, N.A. ( Computershare ) is the transfer agent for NetScout common stock. Computershare is expected to be the merger exchange agent and the exchange offer agent for the Distribution.

**Q: Where can I find more information about Danaher, NetScout, Newco and the Transactions?**

A: You can find out more information about Danaher, NetScout, Newco and the Transactions by reading this prospectus and, with respect to Danaher and NetScout, from various sources described in Where You Can Find More Information; Incorporation By Reference beginning on page 216.

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**SUMMARY**

The following summary contains certain information described in more detail elsewhere in this prospectus. 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 prospectus 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 prospectus 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 2014 fiscal year, Danaher had sales of over \$19.91 billion and approximately 71,000 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 prospectus 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. 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, 2014, the Communications Business generated total sales of \$760,223,000 and net earnings of \$42,552,000.

**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 prospectus, govern the relationship among Danaher, Newco, NetScout and their respective affiliates after the Separation, the Distribution and the Mergers.

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On the closing date of the Mergers, Danaher will distribute Newco common units to its participating stockholders in an exchange offer. If the exchange offer is consummated but is not fully subscribed, Danaher will distribute the remaining Newco common units on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer. Any Danaher stockholder who validly tenders (and does not properly withdraw) shares of Danaher common stock for Newco common units in the exchange offer will waive, with respect to such shares, their rights to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the event the exchange offer is not fully subscribed. If there is a pro rata distribution, the exchange agent will calculate the exact number of Newco common units not exchanged in the exchange offer and to be distributed on a pro rata basis, and the number of shares of NetScout common stock into which the remaining Newco common units will be converted in the First Merger will be transferred to Danaher stockholders (after giving effect to the consummation of the exchange offer) as promptly as practicable thereafter.

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 prospectus.

**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 Danaher certain assets and liabilities constituting the Communications Business, and will cause any applicable subsidiary of Danaher 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. Immediately thereafter, Danaher will contribute all the equity interests in each such subsidiary of Danaher holding assets and liabilities constituting the Communications Business to Newco in exchange for Newco common units. In addition, certain assets, liabilities and employees of the Communications Business may be transferred directly to NetScout or one or more subsidiaries of NetScout.

**Step #2 The Distribution; Exchange Offer and Spin-Off.** On the closing date of the Mergers, Danaher will distribute 100% of the Newco common units to Danaher stockholders through an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution. 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

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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.

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 Distribution and the First Merger, Danaher will convey to Newco or one or more subsidiaries of Danaher certain assets and liabilities constituting the Communications Business, and will cause any applicable subsidiary of Danaher 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. Immediately thereafter, Danaher will contribute all the equity interests in each such subsidiary of Danaher holding assets and liabilities constituting the Communications Business to Newco in exchange for Newco common

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units. In addition, certain assets, liabilities and employees of the Communications Business may be transferred directly to NetScout or one or more subsidiaries of NetScout.

NetScout and Danaher anticipate that the transfer of certain assets and liabilities of the Communications Business will be completed after the closing date of the Mergers due to regulatory and other delays in certain jurisdictions outside the United States.

On the closing date of the Mergers, Danaher will distribute 100% of the Newco common units to Danaher stockholders through an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution. 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.

Any Danaher stockholder who validly tenders (and does not properly withdraw) shares of Danaher common stock for Newco common units and whose shares are accepted in the exchange offer upon the expiration of this exchange offer will waive, with respect to such shares, their rights to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the spin-off (in the event the exchange offer is not fully subscribed). In the spin-off, the exchange offer agent will calculate the exact number of Newco common units owned by Danaher that will not be exchanged in the exchange offer. Such remaining Newco common units will be distributed on a pro rata basis, and the number of shares of NetScout common stock into which the remaining Newco common units will be converted in the First Merger will be transferred to the relevant Danaher stockholders (after giving effect to the consummation of the exchange offer) as promptly as practicable thereafter.

The exchange offer agent 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



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of the First Merger. Prior to the consummation of the exchange offer, 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 pre-First Merger holders of Newco common units and Newco Employees collectively holding approximately 59.5% of the outstanding equity interests of NetScout on a fully-diluted basis upon completion of the Transactions and NetScout's equityholders 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.

**Terms of this Exchange Offer**

Danaher is offering holders of shares of Danaher common stock the opportunity to exchange their shares for Newco common units. You may tender all, some or none of your shares of Danaher common stock. This prospectus and related documents are being sent to persons who directly held shares of Danaher common stock on May 13, 2015 and brokers, banks and similar persons whose names or the names of whose nominees appear on Danaher's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Danaher's common stock.

Danaher common stock validly tendered and not properly withdrawn will be accepted for exchange at the exchange ratio determined as described under **This Exchange Offer Terms of this Exchange Offer**, on the terms and conditions of this exchange offer and subject to the limitations described below, including the proration provisions.

Danaher will promptly return any shares of Danaher common stock that are not accepted for exchange following the expiration of this exchange offer and the determination of the final proration factor, if any, described below. After the expiration of this exchange offer, shares accepted by Danaher may not be withdrawn; provided, however, that such shares may be withdrawn at any time after the expiration of 40 business days from the commencement of this exchange offer if this exchange offer has not then been consummated.

For the purposes of illustration, the table below indicates the number of Newco common units that you would receive per share of Danaher common stock you validly tender, calculated on the basis described under **This Exchange Offer Terms of this Exchange Offer** and taking into account the upper limit, assuming a range of averages of the daily VWAP of Danaher common stock and NetScout common stock on the Valuation Dates. The first row of the table below shows the indicative calculated per-share value of Danaher common stock, the indicative calculated per-unit value of Newco common units and the indicative exchange ratio that would have been in effect following the official close of trading on the NYSE and NASDAQ on May 12, 2015, based on the daily VWAPs of Danaher common stock and NetScout common stock on May 8, 2015, May 11, 2015 and May 12, 2015. The table also shows the effects of a 10% increase or decrease in either or both the calculated per-share value of Danaher common stock and the calculated per-unit value of Newco common units based on changes relative to the values as of May 12, 2015.



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	NetScout common stock	Calculated per-share value of Danaher common stock(A)	Calculated per-unit value (before the 7% discount) of Newco common units(B)	Newco common units to be received per share of Danaher common stock tendered (the exchange ratio)(C)	Calculated Value Ratio(1)
<b>Danaher common stock</b>					
<b>As of May 12, 2015</b>	As of May 12, 2015	\$ 84.2876	\$ 41.5824	2.1796	1.08
<b>Down 10%</b>	Up 10%	\$ 75.8588	\$ 45.7406	1.7833	1.08
<b>Down 10%</b>	Unchanged	\$ 75.8588	\$ 41.5824	1.9616	1.08
<b>Down 10%</b>	Down 10%	\$ 75.8588	\$ 37.4241	2.1796	1.08
<b>Unchanged</b>	Up 10%	\$ 84.2876	\$ 45.7406	1.9814	1.08
<b>Unchanged</b>	Down 10%(2)(3)	\$ 84.2876	\$ 37.4241	2.2522	1.00
<b>Up 10%</b>	Up 10%	\$ 92.7164	\$ 45.7406	2.1796	1.08
<b>Up 10%</b>	Unchanged(2)(4)	\$ 92.7164	\$ 41.5824	2.2522	1.01
<b>Up 10%</b>	Down 10%(2)(5)	\$ 92.7164	\$ 37.4241	2.2522	0.91

- (1) The Calculated Value Ratio equals (i) the calculated per-unit value of Newco common units (B) multiplied by the exchange ratio (C), divided by (ii) the calculated per-share value of Danaher common stock (A), rounded to the nearest two decimals.
- (2) In this scenario, Danaher would announce that the upper limit on the number of Newco common units that can be received for each share of Danaher common stock tendered is in effect at the expiration of the exchange offer period no later than 4:30 p.m., New York City time, on the expiration date, that the exchange ratio will be fixed at the upper limit and that this exchange offer will be extended until 12:00 midnight, New York City time, on the second trading day following the expiration date.
- (3) In this scenario, the upper limit is in effect. Absent the upper limit, the exchange ratio would have been 2.4218 Newco common units per share of Danaher common stock validly tendered and accepted in this exchange offer. In this scenario, tendering Danaher shareholders would receive less than \$100 in value of Newco common units for each \$100 in value of Danaher common stock.
- (4) In this scenario, the upper limit is in effect. Absent the upper limit, the exchange ratio would have been 2.3975 Newco common units per share of Danaher common stock validly tendered and accepted in this exchange offer.
- (5) In this scenario, the upper limit is in effect. Absent the upper limit, the exchange ratio would have been 2.6639 Newco common units per share of Danaher common stock validly tendered and accepted in this exchange offer. In this scenario, tendering Danaher shareholders would receive less than \$100 in value of Newco common units for each \$100 in value of Danaher common stock.

During the three month period of February 12, 2015 through May 12, 2015, the highest closing price of Danaher common stock on the NYSE was \$87.81 and the lowest closing price of NetScout common stock on NASDAQ was \$38.41. If the calculated per-share value of Danaher common stock and the calculated per-unit value of Newco common units equaled these closing prices, you would receive only the limit of 2.2522 Newco common units for each share of Danaher common stock tendered, and the value of such Newco common units, based on the NetScout common stock price, would have been approximately \$98.52 of Newco common units for each \$100 of Danaher common stock accepted for exchange.

***Extension; Termination***

This exchange offer, and your withdrawal rights, will expire at 12:00 midnight, New York City time, on July 8, 2015, unless this exchange offer is extended or terminated. You must tender your shares of Danaher common stock prior to this time if you want to participate in this exchange offer. Danaher may extend, terminate or amend this exchange offer as described in this prospectus.

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Danaher will issue a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day following any extension, amendment, non-acceptance or termination of the previously scheduled expiration date.

***Mandatory Extension***

If the upper limit on the number of shares that can be received for each share of Danaher common stock tendered is in effect at the expiration of the exchange offer period, then the exchange ratio will be fixed at the upper limit and a Mandatory Extension of this exchange offer will be made until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date.

In case of an extension of this exchange offer (mandatory or otherwise), Danaher will publicly announce the extension by press release no later than 9:00 a.m., New York City time, on the first trading day following the previously scheduled expiration date.

***Conditions for Consummation of this Exchange Offer***

Danaher's obligation to exchange Newco common units for shares of Danaher common stock is subject to the conditions listed under "This Exchange Offer—Conditions for Consummation of this Exchange Offer," including the satisfaction of conditions to the Transactions and other conditions. These conditions include:

the absence of a market disruption event;

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

the registration statements on Forms S-4 and S-1 of which this prospectus is a part have become effective under the Securities Act;

the receipt by Danaher of the IRS ruling (which IRS ruling has been received);

the receipt by Danaher and Newco of the Tax Opinion from Danaher's tax counsel, dated as of the closing date of the First Merger;

the completion of various transaction steps;

the satisfaction or waiver of the minimum amount condition (as defined below); and

other customary conditions.



For a description of the material conditions precedent to the Transactions, see The Merger Agreement Conditions to the Merger.

Danaher may waive any of the conditions to this exchange offer prior to the expiration of this exchange offer. Newco has no right to waive any of the conditions to this exchange offer. NetScout has no right to waive any of the conditions to this exchange offer (other than certain conditions relating to the other transactions).

***Proration; Odd-Lots***

If, upon the expiration of this exchange offer, Danaher stockholders have validly tendered more shares of Danaher common stock than Danaher is able to accept for exchange (taking into account the exchange ratio and the total number of Newco common units being exchanged by Danaher in this exchange offer), Danaher will accept for exchange the shares of Danaher common stock validly tendered and not properly withdrawn by each tendering stockholder on a pro rata basis, based on the proportion that the total number of shares of Danaher

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common stock to be accepted bears to the total number of shares of Danaher common stock validly tendered and not properly withdrawn (rounded to the nearest whole number of shares of Danaher common stock, and subject to any adjustment necessary to ensure the exchange of all Newco common units being owned by Danaher), except for tenders of odd-lots, as described below.

Danaher will announce the preliminary proration factor for this exchange offer at <http://www.danaher.com/netscout> and separately by press release promptly after the expiration of this exchange offer. Upon determining the number of shares of Danaher common stock validly tendered for exchange and not properly withdrawn, Danaher will announce the final results of the exchange offer, including the final proration factor for this exchange offer.

Beneficial holders (other than plan participants in the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan) of less than 100 shares of Danaher common stock who validly tender all of their shares may elect not to be subject to proration by completing the section in the applicable letter of transmittal entitled Odd-Lot Shares. If your odd-lot shares are held by a broker for your account, you can contact the broker and request this preferential treatment. All of your odd-lot shares will be accepted for exchange without proration if Danaher completes this exchange offer.

***Fractional Shares***

Following the consummation of the Exchange Offer, Merger Sub will be merged with and into Newco, whereby the separate corporate existence of Merger Sub will cease and Newco will continue as the surviving company and a wholly-owned subsidiary of NetScout. 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 duly authorized, validly issued, fully paid and nonassessable 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 (other than Newco common units held by Danaher, Newco, NetScout or Merger Sub that are to be canceled). In this conversion of Newco common units into shares of NetScout common stock, no fractional shares of NetScout common stock will be delivered to holders of Newco common units. Instead, holders of Newco common units who would otherwise be entitled to receive a fractional share of NetScout common stock will receive in cash the dollar amount (rounded to the nearest whole cent) determined by multiplying such fraction by the closing price of NetScout common stock on NASDAQ on the last business day prior to the effective time of the First Merger. The amount received by such holders of Newco common units will be net of any required withholding taxes.

***Procedures for Tendering***

For you to validly tender your shares of Danaher common stock pursuant to this exchange offer, prior to the expiration of this exchange offer:

If you hold certificates representing shares of Danaher common stock, or if your shares of Danaher common stock are held in book-entry via the DRS, you must deliver to the exchange offer agent a properly completed and duly executed letter of transmittal, along with any required signature guarantees and any other required documents. If you hold certificates representing shares of Danaher common stock, you must also deliver to the exchange offer agent the certificates representing the shares of Danaher common stock tendered. Since

certificates are not issued for DRS shares, you do not need to deliver any certificates representing those shares to the exchange offer agent.

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If you hold shares of Danaher common stock through a broker, you should receive instructions from your broker on how to participate in this exchange offer. In this situation, do not complete a letter of transmittal to tender your Danaher common stock. Please contact your broker directly if you have not yet received instructions. Some financial institutions may also effect tenders by book-entry transfer through The Depository Trust Company.

If you hold shares of Danaher common stock in your account under the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan, you should receive instructions from the applicable plan record keeper via letter or email informing you how to make an election. In this situation, do not complete a letter of transmittal to tender your shares of Danaher common stock. Please contact the phone number in the letter or email you receive from the applicable plan record keeper to speak with a customer service associate if you have not yet received instructions from such plan record keeper.

### ***Delivery of Newco Common Units***

Upon the consummation of this exchange offer, Danaher will deliver to the exchange offer agent, and the exchange offer agent will hold, for the account of the relevant Danaher stockholders, the global certificate(s) representing (a) all of the Newco common units being exchanged in this exchange offer, with irrevocable instructions to hold the Newco common units as agent for the holders of shares of Danaher common stock validly tendered and not properly withdrawn in the exchange offer and, (b) in the case of a pro rata distribution, if any, Newco common units being issued to Danaher stockholders whose shares of Danaher common stock remain outstanding after the consummation of the exchange offer. Prior to the effective time of the First Merger, NetScout will deposit with the merger exchange agent for the benefit of persons who received Newco common units in this exchange offer evidence in book-entry form representing the shares of NetScout common stock issuable in the First Merger. Shares of NetScout common stock will be delivered immediately following the consummation of this exchange offer, the acceptance of Danaher common stock for exchange, and the effectiveness of the First Merger, pursuant to the procedures determined by the exchange offer agent and the merger exchange agent. See *This Exchange Offer* *Terms of this Exchange Offer* *Exchange of Shares of Danaher Common Stock*.

### ***Withdrawal Rights***

Shares of Danaher common stock validly tendered pursuant to this exchange offer may be withdrawn at any time before 12:00 midnight, New York City time, on the expiration date by following the procedures described herein. If you change your mind again, you may re-tender your Danaher common stock by again following the exchange offer procedures prior to the expiration of this exchange offer.

### ***No Appraisal Rights***

No appraisal rights are available to holders of Danaher common stock in connection with this exchange offer or any pro rata spin-off distribution (in the event the exchange offer is not fully subscribed) of Newco common units.

### ***Distribution of Newco Common Units Remaining After this Exchange Offer***

In the event the exchange offer is not fully subscribed, all Newco common units owned by Danaher that are not exchanged in this exchange offer will be distributed as a pro rata spin-off distribution to holders of Danaher common stock as of the record date. The record date for the spin-off will be formally announced by press release by Danaher. Any Danaher stockholder who validly tenders (and does not properly withdraw) shares of Danaher



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common stock for Newco common units will waive their rights with respect to such shares to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the event the exchange offer is not fully subscribed.

If this exchange offer is consummated, the exchange offer agent will calculate the exact number of Newco common units not exchanged in this exchange offer to be distributed on a pro rata basis, and that number of Newco common units will be held as agent for holders of Danaher common stock entitled thereto.

If this exchange offer is terminated by Danaher without the exchange of shares, but the conditions for consummation of the Transactions have otherwise been satisfied, Danaher intends to distribute all Newco common units owned by Danaher on a pro rata basis to holders of Danaher common stock, with a record date to be announced by Danaher.

## **Risk Factors**

In deciding whether to tender your shares of Danaher common stock in this exchange offer, you should carefully consider the matters described in the section Risk Factors, as well as other information included in this prospectus and the other documents to which you have been referred.

## **Board of Directors and Management of NetScout Following the Transactions**

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 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.

It is expected that NetScout's current management team will remain intact for the combined business, but may be augmented with new management team members from Danaher. The executive officers of NetScout immediately prior to the closing of the Mergers are expected to remain the executive officers of NetScout immediately following the closing of the Mergers. The Merger Agreement provides that NetScout and Newco will take all necessary action to appoint certain specified individuals to management and/or executive officer positions at NetScout or Newco as of the effective time of the Mergers.

## **Interests of Certain Persons in the Transactions**

Based on publicly available filings as of March 9, 2015, Danaher's directors and executive officers owned approximately 13% of the outstanding shares of Danaher's common stock and, as of May 1, 2015, NetScout's directors and executive officers owned approximately 6.5% of the outstanding shares of NetScout common stock. None of NetScout's or Newco's executive officers will receive any severance or other compensation as a result of the Transactions. The directors and officers of Danaher, Newco and NetScout will receive no extra or special benefit that is not shared on a pro rata basis by all other Newco common unit holders and NetScout stockholders in connection with the Transactions. As with all holders of shares of Danaher common stock, if a director or officer of Danaher, Newco or NetScout owns shares of Danaher common stock, directly or indirectly, such



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person may participate in the exchange offer on the same terms as other holders of shares of Danaher common stock. Based on publicly-available filings, as of May 1, 2015, Danaher owned approximately 2.9% of the outstanding shares of NetScout common stock (not including any shares Danaher may be deemed to beneficially own pursuant to the Voting Agreement).

In connection with the execution of the Merger Agreement, Steven M. Rales, Chairman of the Board of Directors of Danaher, and Mitchell P. Rales, Chairman of the Executive Committee of Danaher, delivered separate letters to NetScout, in which they each agreed not to exchange more than the number of shares of Danaher common stock in an exchange offer for Newco common units that would result (after taking into consideration any Newco common units distributed in a pro-rata spin off to Danaher stockholders in the event the exchange offer is not fully subscribed) in his receiving more than 5% of the issued and outstanding shares of NetScout common stock after giving effect to the closing under the Merger Agreement.

## **NetScout's Stockholders Vote**

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). 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 May 1, 2015, the record date of the special meeting, 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 May 1, 2015, in favor of the issuance of shares of NetScout common stock in the First Merger. No vote of Danaher stockholders is required or being sought in connection with the Transactions.

## **Accounting Treatment and Considerations**

ASC 805, Business Combinations, requires the use of the acquisition method of accounting for business combinations. In applying the acquisition method, it is necessary to identify both the accounting acquiree and the accounting acquirer. In a business combination effected through an exchange of equity interests, such as the Mergers, the entity that issues the interests (NetScout in this case) is generally the acquiring entity. In identifying the acquiring entity in a combination effected through an exchange of equity interests, however, all pertinent facts and circumstances must be considered, including the following:

The relative voting interests of significant shareholders and the ability of any of those shareholders to exercise control over the consolidated entity after the Transactions. In this case, it was determined that the shareholder bases of both entities are dispersed such that no single shareholder or group of related shareholders would control the entity after the Transactions.

The composition of the governing body of NetScout after the Transactions. In this case, the board of directors of NetScout immediately following the Mergers is expected to consist of the members of the board of directors of NetScout immediately prior to the consummation of the Mergers. In addition, as of the consummation of the Mergers, NetScout will increase the size of its board of directors by one member, and one 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.

The composition of the senior management of NetScout after the Transactions. In this case, it is expected that NetScout's current management team will remain intact for the combined business, but may be augmented with new management team members from Danaher. The executive officers of

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NetScout immediately prior to the closing of the Mergers are expected to remain the executive officers of NetScout immediately following the closing of the Mergers.

NetScout's management has determined that NetScout will be the accounting acquirer in the Mergers based on the facts and circumstances outlined above and the detailed analysis of the relevant GAAP guidance. Consequently, NetScout will apply acquisition accounting to the assets acquired and liabilities assumed of Newco upon consummation of the Mergers. Upon consummation of the Mergers, the historical financial statements will reflect only the operations and financial condition of NetScout.

## **Material U.S. Federal Income Tax Consequences of the Transactions**

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 tax-free transactions 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 pursuant to the exchange offer or spin-off (in the event the exchange offer is not fully subscribed) 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 common units pursuant to the Distribution. A holder of Newco common units generally will recognize capital gain or loss with respect to cash received in lieu of fractional shares of NetScout common stock in the First Merger.

Danaher has received 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.

If the exchange offer were determined not to qualify for non-recognition of gain and loss under Sections 355 and 368(a)(1)(D) of the Code, each Danaher stockholder who receives Newco common units in the exchange offer would generally be treated as recognizing taxable gain or loss equal to the difference between the fair market value of the Newco common units received by the stockholder in the exchange offer and its tax basis in the shares of Danaher common stock exchanged therefor, or, in certain circumstances, as receiving a taxable distribution equal to the fair market value of the Newco common units received by the stockholder in the exchange offer. If the spin-off (in the event the exchange offer is not fully subscribed) were determined not to qualify for non-recognition of gain and loss under Sections 355 and 368(a)(1)(D) of the Code, each Danaher stockholder who receives Newco common units in the spin-off would generally be treated as receiving a taxable distribution equal to the fair market value of the Newco common units received by the stockholder in the spin-off.

In addition, 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 certain transactions after the distribution is completed (each, a Disqualifying Action). In such cases, Newco and/or NetScout would be required to indemnify Danaher for any resulting taxes and related expenses, which amount could be material.

If the Mergers were determined not to qualify for non-recognition of gain and loss under Section 368 of the Code, Newco common unit holders would be considered to have made a taxable sale of their Newco common units to NetScout, and Newco common unit holders would generally recognize taxable gain or loss on their receipt of NetScout common stock in the Mergers.



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Please see **Risk Factors** **Risks Related to 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, **Risk Factors** **Risks Related to the Transactions** If the Mergers do not qualify as a tax-free reorganization under Section 368 of the Code, the stockholders of Danaher may have significant tax liability, and **Material U.S. Federal Income Tax Consequences of the Transactions** for more information regarding the IRS ruling, the Tax Opinion and the potential tax consequences of the Transactions. Holders of Danaher common stock should consult their tax advisor as to the particular tax consequences of the Transactions.

## **Regulatory Approvals**

Under the HSR Act and the rules promulgated under the HSR Act by the Federal Trade Commission, the parties must file notification and report forms with the U.S. Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice and observe specified waiting period requirements before consummating the Mergers. NetScout and Danaher each filed the requisite notification and report forms with the Federal Trade Commission and the Antitrust Division on October 24, 2014. NetScout withdrew its filing on November 24, 2014 and refiled on November 26, 2014.

On December 24, 2014, NetScout received a request for additional information ( second request ) from the U.S. Department of Justice. The effect of the second request was to extend the waiting period imposed by the HSR Act until 30 days after both NetScout and Danaher substantially complied with the request, unless that period was extended voluntarily by the parties or terminated sooner by the U.S. Department of Justice. On April 22, 2015, the Antitrust Division of the U.S. Department of Justice gave Danaher and NetScout written notice that it had closed its investigation into the Transactions, which effectively terminated the waiting period under the HSR Act.

**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 Danaher and 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 Danaher](#), [Information on NetScout](#), and [Selected Financial Statement 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 2012 through 2014, has been derived from audited annual financial statements, including the combined balance sheets at December 31, 2014 and December 31, 2013 and the related combined statements of earnings for each of the three years in the period ended December 31, 2014 and notes thereto appearing elsewhere herein. The data as of December 31, 2012 and for the year ended December 31, 2011 has been derived from audited combined financial statements not included or incorporated by reference in this document. The data as of December 31, 2011 and 2010 and for the year ended December 31, 2010 has been derived from unaudited combined financial information not included or incorporated by reference into this document. 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).

	<b>As of and for the Year Ended December 31</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Sales					
Product	\$ 535,281	\$ 623,632	\$ 594,770	\$ 483,782	\$ 367,141
Service	224,942	211,259	190,968	185,497	121,204
Total sales	\$ 760,223	\$ 834,891	\$ 785,738	\$ 669,279	\$ 488,345
Earnings before income taxes	62,335	116,598	157,881	106,722	43,707
Net earnings	42,552	83,806	103,798	74,371	28,028
Total assets	\$ 1,238,829	\$ 1,235,903	\$ 1,185,543	\$ 998,760	\$ 1,047,998

**Summary Historical Consolidated Financial Data of Danaher**

The following summary historical consolidated financial data of Danaher as of and for each of the fiscal years in the three-year period ended December 31, 2014 has been derived from the audited consolidated financial statements of Danaher incorporated by reference into this prospectus. This information is only a summary and should be read in conjunction with the financial statements of Danaher and the notes thereto and the [Management's Discussion and Analysis of Financial Condition and Results of Operations](#) section contained in Danaher's Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this prospectus. See [Where You Can Find More Information](#); [Incorporation By Reference](#).



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	<b>As of and for the Year Ended December 31</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>(In millions, except per share data and ratio data)</b>		
<b>Statement of Earnings Data</b>			
Sales	\$ 19,913.8	\$ 19,118.0	\$ 18,260.4
Operating profit (1)	3,431.3	3,274.9	3,165.1
Net earnings from continuing operations	2,598.4	2,695.0	2,299.3
Earnings from discontinued operations, net of income taxes			92.9
Net earnings	\$ 2,598.4	\$ 2,695.0	\$ 2,392.2
Net earnings per share from continuing operations:			
Basic	\$ 3.70	\$ 3.87	\$ 3.32
Diluted	\$ 3.63	\$ 3.80	\$ 3.23
Net earnings per share from discontinued operations:			
Basic	\$	\$	\$ 0.13
Diluted	\$	\$	\$ 0.13
Net earnings per share:			
Basic	\$ 3.70	\$ 3.87	\$ 3.45
Diluted	\$ 3.63	\$ 3.80	\$ 3.36
Dividends declared per share	\$ 0.40	\$ 0.10	\$ 0.10
Total assets	\$ 36,991.7	\$ 34,672.2	\$ 32,941.0
Total debt	\$ 3,473.4	\$ 3,499.0	\$ 5,343.1
Ratio of Earnings to Fixed Charges (2)	25.6	22.6	17.6

(1) This term is distinct from the term **Operating Profit** as defined in the section of this prospectus entitled **Helpful Information** because the definition of **Operating Profit** in such section is specific to the **Communications Business**.

(2) These ratios include Danaher Corporation and its consolidated subsidiaries. The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges for the periods indicated, where earnings

consist of (1) earnings (excluding earnings from equity investees) before income taxes plus distributed

income of equity investees; plus (2) fixed charges, and fixed charges consist of (A) interest, whether

expensed or capitalized, on all indebtedness, (B) amortization of premiums, discounts and capitalized

expenses related to indebtedness, and (C) an interest component representing the estimated portion of rental

expense that management believes is attributable to interest. Interest on unrecognized tax benefits is

included in the tax provision in the Company's Consolidated Condensed Statements of Earnings and is

excluded from the computation of fixed charges.



**Table of Contents****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 nine-month periods ended December 31, 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 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 December 31, 2014, each of which is incorporated by reference into this prospectus. See [Where You Can Find More Information; Incorporation by Reference](#).

	<b>As of and for the Nine Months Ended December 31,</b>		<b>As of and for the Year Ended March 31,</b>		
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>(In thousands, except per share data)</b>					
<b>Results of Operations:</b>					
<b>Revenue:</b>					
Product	\$ 198,765	\$ 163,895	\$ 234,268	\$ 198,749	\$ 168,141
Service	135,519	120,435	162,379	151,801	140,538
<b>Total revenue</b>	<b>334,284</b>	<b>284,330</b>	<b>396,647</b>	<b>350,550</b>	<b>308,679</b>
<b>Cost of revenue:</b>					
Product	45,015	36,117	51,219	45,752	39,271
Service	26,158	24,111	33,294	28,256	26,401
<b>Total cost of revenue</b>	<b>71,173</b>	<b>60,228</b>	<b>84,513</b>	<b>74,008</b>	<b>65,672</b>
<b>Gross profit</b>	<b>263,111</b>	<b>224,102</b>	<b>312,134</b>	<b>276,542</b>	<b>243,007</b>
<b>Operating expenses:</b>					
Research and development	56,872	50,951	70,454	61,546	49,478
Sales and marketing	104,304	96,184	129,611	116,807	109,624
General and administrative	33,211	22,367	30,623	29,718	27,488
Amortization of acquired intangible assets	2,539	2,571	3,432	2,877	2,131
Restructuring charges				1,065	603
<b>Total operating expenses</b>	<b>196,926</b>	<b>172,073</b>	<b>234,120</b>	<b>212,013</b>	<b>189,324</b>
<b>Income from operations</b>	<b>66,185</b>	<b>52,029</b>	<b>78,014</b>	<b>64,529</b>	<b>53,683</b>

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Interest and other expense, net	(1,186)	(88)	(158)	(793)	(2,765)
Income before income tax expense	64,999	51,941	77,856	63,736	50,918
Income tax expense	24,661	19,511	28,750	23,127	18,490
Net income	\$ 40,338	\$ 32,430	\$ 49,106	\$ 40,609	\$ 32,428
Basic net income per share	\$ 0.98	\$ 0.78	\$ 1.19	\$ 0.97	\$ 0.77
Diluted net income per share	\$ 0.97	\$ 0.77	\$ 1.17	\$ 0.96	\$ 0.76

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	As of and for the Nine Months Ended December 31,		As of and for the Year Ended March 31,		
	2014	2013	2014	2013	2012
<b>(In thousands, except per share data)</b>					
<b>Financial Highlights:</b>					
Cash, cash equivalents and short and long-term marketable securities	\$ 240,726	\$ 182,213	\$ 218,794	\$ 154,091	\$ 213,516
Total assets	\$ 638,928	\$ 577,877	\$ 607,763	\$ 552,176	\$ 567,757
Debt	\$	\$	\$	\$	\$ 62,000
Total stockholders' equity	\$ 432,118	\$ 395,598	\$ 409,161	\$ 371,903	\$ 342,369
<b>Cash Flow Data:</b>					
Cash from operating activities	\$ 57,322	\$ 60,767	\$ 110,946	\$ 95,412	\$ 68,307
Purchases of fixed assets	\$ (8,630)	\$ (8,709)	\$ (13,066)	\$ (11,671)	\$ (11,088)
Purchases of intangible assets	\$ (131)	\$ (713)	\$ (1,086)	\$ (277)	\$ (200)
Non-GAAP free cash flow	\$ 48,561	\$ 51,345	\$ 96,794	\$ 83,464	\$ 57,019
<b>Other Selected Data:</b>					
Weighted average common shares outstanding basic	41,128	41,417	41,366	41,665	42,035
Weighted average common shares outstanding diluted	41,679	41,969	41,955	42,322	42,750
Non-GAAP revenue(1)	\$ 334,302	\$ 284,749	\$ 397,205	\$ 351,765	\$ 308,991
Non GAAP net income(1)	\$ 56,445	\$ 43,992	\$ 64,218	\$ 56,014	\$ 46,970
Non-GAAP net income per share(1)	\$ 1.35	\$ 1.05	\$ 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 Financial Statement Data Selected Historical Consolidated Financial Data of NetScout.

**Table of Contents****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.

	<b>As of and for the Nine Months Ended December 31, 2014</b>	<b>As of and for the Year Ended March 31, 2014</b>
	<b>(In thousands, except per share data)</b>	
<b>Results of Operations:</b>		
Revenue:		
Product	\$ 560,687	\$ 842,169
Service	295,046	335,931
<b>Total revenue</b>	<b>855,733</b>	<b>1,178,100</b>
Cost of revenue		
Product	199,541	282,677
Service	65,244	81,806
<b>Total cost of revenue</b>	<b>264,785</b>	<b>364,483</b>
<b>Gross profit</b>	<b>590,948</b>	<b>813,617</b>
Operating expenses:		
Research and development	176,072	220,149
Sales and marketing	261,460	308,033
General and administrative	89,800	133,113
Amortization of acquired intangible assets	55,258	46,840
Impairment of intangible assets		31,063
<b>Total operating expenses</b>	<b>582,590</b>	<b>739,198</b>

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Income from operations	8,358		74,419
Total other income (expense)	(1,186)		(158)
Income before income tax expense	7,172		74,261
Income tax expense	1,638		15,869
Net income	\$ 5,534	\$	58,392
Per share information:			
Basic net income per share:	\$ 0.05	\$	0.56
Diluted net income per share:	\$ 0.05	\$	0.56
Weighted average common shares outstanding used in computing			
Net income per share - Basic	103,628		103,866
Net income per share - Diluted	104,211		104,497

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	<b>December 31, 2014</b> <b>(In thousands, except per share data)</b>
<b>Financial Highlights:</b>	
Cash and cash equivalents and short and long-term marketable securities	\$ 248,138
Total Assets	\$ 4,015,882
Debt	\$
Total stockholders' equity	\$ 3,114,669

**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 NetScout 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 December 31, 2014, each of which are incorporated by reference into this prospectus. 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 prospectus. See "Where You Can Find More Information; Incorporation by Reference."

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 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)	<b>As of and for the Nine Months Ended December 31, 2014</b>		<b>As of and for the Year Ended March 31, 2014</b>	
	<b>Historical</b>	<b>Pro Forma</b>	<b>Historical</b>	<b>Pro Forma</b>
Basic earnings per share	\$ 0.98	\$ 0.05	\$ 1.19	\$ 0.56
Diluted earnings per share	\$ 0.97	\$ 0.05	\$ 1.17	\$ 0.56
Weighted average common shares outstanding - Basic	41,128	103,628	41,366	103,866
Weighted average common shares outstanding - Diluted	41,679	104,211	41,955	104,497
Book value per share of common stock	\$ 10.48	\$ 30.03	\$ 9.94	Not available

**Historical Common Stock Market Price and Dividend 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. Newco common units do not currently trade separately from Danaher common stock.

Shares of Danaher common stock currently trade on the NYSE under the symbol "DHR." On October 10, 2014, the last trading day before the announcement of the Transactions, the last sale price of Danaher's common stock reported by the NYSE was \$71.86. On May 12, 2015, the last sale price of Danaher common stock reported by the NYSE was

\$86.00.

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 May 12, 2015, the last sale price of NetScout common stock reported by NASDAQ was \$41.13.

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The following table sets forth, for the periods indicated, the high and low sales prices per share of Danaher common stock, as reported on the NYSE, and NetScout common stock, as reported on NASDAQ. In addition, the table also sets forth the quarterly cash dividends per share declared by Danaher with respect to Danaher common stock.

	Danaher Per Share Dividends	Danaher Common Stock		NetScout Common Stock	
		High	Low	High	Low
<b>Calendar Year Ending December 31, 2015<sup>1</sup></b>					
First Calendar Quarter	\$ 0.135	\$ 88.10	\$ 81.25	\$ 44.76	\$ 33.53
Second Calendar Quarter (through May 12, 2015)	\$	\$ 86.35	\$ 81.59	\$ 45.53	\$ 39.32
<b>Calendar Year Ending December 31, 2014</b>					
First Calendar Quarter	\$ 0.10	\$ 78.80	\$ 71.89	\$ 39.10	\$ 28.64
Second Calendar Quarter	\$ 0.10	\$ 81.14	\$ 71.75	\$ 44.54	\$ 33.30
Third Calendar Quarter	\$ 0.10	\$ 80.00	\$ 73.02	\$ 48.13	\$ 41.15
Fourth Calendar Quarter	\$ 0.10	\$ 87.49	\$ 70.12	\$ 46.17	\$ 31.59
<b>Calendar Year Ended December 31, 2013</b>					
First Calendar Quarter	\$ <sup>2</sup>	\$ 62.90	\$ 56.17	\$ 28.28	\$ 23.74
Second Calendar Quarter	\$ 0.025	\$ 64.80	\$ 57.61	\$ 24.92	\$ 21.22
Third Calendar Quarter	\$ 0.025	\$ 70.94	\$ 63.16	\$ 27.55	\$ 23.22
Fourth Calendar Quarter	\$ 0.025	\$ 77.39	\$ 66.83	\$ 30.76	\$ 24.04

<sup>1</sup> In order to present the market price and dividend information for Danaher and NetScout on a comparable basis, the information included in the above table is presented for the calendar years and calendar quarters shown rather than the fiscal years and fiscal quarters of Danaher and NetScout.

<sup>2</sup> Danaher did not make cash payments for dividends during the first quarter of 2013 because Danaher's board of directors had determined to accelerate the quarterly dividend payment that normally would have been paid in January 2013 and paid it in December 2012.



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**Table of Contents****RISK FACTORS**

You should carefully consider the following risks, together with the other information contained or incorporated by reference in this prospectus 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 and participation in the exchange offer. 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 prospectus, 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 Reports on Form 10-Q for the periods ended June 30, 2014, September 30, 2014 and December 31, 2014, which are incorporated by reference into this prospectus.

**Risks Related to the Transactions**

*The risk to Danaher stockholders that the calculation of the merger consideration will not be adjusted if the value of the business or assets of the Communications Business increases or if the value of NetScout decreases before the Mergers are completed and the risk to NetScout stockholders that 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 (i) if the value of the business or assets of the Communications Business increases prior to the consummation of the Mergers or the value of NetScout decreases prior to the Mergers, or (ii) 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 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 with respect to the Communications Business.

*The trading prices of NetScout common stock may not be an appropriate proxy for the prices of Newco common units.*

The calculated per-unit value for Newco common units is based on the trading prices for NetScout common stock, which may not be an appropriate proxy for the prices of Newco common units. There is currently no trading market for Newco common units and no such market will be established in the future. Danaher believes, however, that the trading prices for NetScout common stock are an appropriate proxy for the trading prices of Newco common units because immediately following the consummation of this exchange offer, Merger Sub will be merged with and into Newco, whereby Newco will continue as the surviving company in the First Merger, and immediately thereafter Newco, as the surviving company in the First Merger, 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 will be cancelled and retired and will cease to exist and the holders of Newco common units (except Newco common units held by Danaher, Newco, NetScout or Merger Sub) will receive the right to receive a number of fully paid and nonassessable 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. In addition, 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. 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

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Merger. There can be no assurance, however, that NetScout common stock after the issuance of Newco common units and the Mergers will trade on the same basis as NetScout common stock trades prior to the Transactions. In addition, it is possible that the trading prices of NetScout common stock prior to consummation of the Mergers will not fully reflect the anticipated value of NetScout common stock after the Mergers. For example, trading prices of NetScout common stock on the Valuation Dates could reflect some uncertainty as to the timing or consummation of the Mergers or could reflect trading activity by investors seeking to profit from market arbitrage.

***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 GAAP, 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 \$3.0 billion of goodwill and other intangible assets to NetScout's consolidated balance sheet. In accordance with GAAP, 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.

***NetScout and Danaher may be unable to satisfy the conditions or obtain the approvals required to complete the Mergers.***

The consummation of the Mergers is subject to numerous conditions, as described in this prospectus, including consummation of certain transactions contemplated by the Merger Agreement and the Distribution Agreement (such as the Separation and the receipt of NetScout stockholder approval for the issuance of shares of NetScout common stock in the First Merger). Neither Danaher nor NetScout can make any assurances that the Mergers and related transactions will be consummated on the terms or timeline currently contemplated, or at all. Each of Danaher and NetScout has and will continue to expend time and resources and incur expenses related to the proposed Transactions.

Governmental agencies may not approve the Mergers or the related transactions necessary to complete the Mergers or may impose conditions to the approval of such transactions or require changes to the terms of such transactions. Any such conditions or changes could have the effect of delaying completion of the Mergers, imposing costs on or limiting the revenues of the combined company following the Mergers or otherwise reducing the anticipated benefits of the Mergers. Any condition or change which results in a Burdensome Condition on the Communications Business and/or NetScout under the Merger Agreement might cause Danaher and/or NetScout to restructure or terminate the Mergers or the related transactions.

***If completed, the Mergers may not be successful or achieve their anticipated benefits.***

If the Mergers are completed NetScout may not be able to successfully realize anticipated growth opportunities or integrate NetScout's business and operations with the Communications Business' business and operations. After the Mergers, NetScout will have significantly more revenue, expenses, assets and employees than NetScout did prior to the Mergers. In the Separation, NetScout will also be assuming certain liabilities of the Communications Business and

taking on other obligations (including collective bargaining agreements and

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certain non-U.S. pension obligations with respect to transferred employees). NetScout may not successfully or cost-effectively integrate the Communications Business business and operations into NetScout's existing business and operations. Even if the combined company is able to integrate the combined businesses and operations successfully, this integration may not result in the realization of the full benefits of the growth and other opportunities that NetScout currently expects from the Mergers within the anticipated time frame, or at all.

***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 Other Agreements Tax Matters Agreement for a detailed description of these restrictions.

***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 pursuant to the exchange offer or spin-off (in the event the exchange offer is not fully subscribed) 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 received 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 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 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 exchange offer were determined not to qualify for non-recognition of gain and loss under Sections 355 and 368(a)(1)(D) of the Code, each Danaher stockholder who receives Newco common units in the exchange offer would generally be treated as recognizing taxable gain or loss equal to the difference between the fair market value of the

Newco common units received by the stockholder in the exchange offer and its tax basis in the shares of Danaher common stock exchanged therefor, or, in certain circumstances, as receiving a taxable distribution equal to the fair market value of the Newco common units received by the stockholder in the

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exchange offer. If the spin-off (in the event the exchange offer is not fully subscribed) were determined not to qualify for non-recognition of gain and loss under Sections 355 and 368(a)(1)(D) of the Code, each Danaher stockholder who receives Newco common units in the spin-off would generally be treated as receiving a taxable distribution equal to the fair market value of the Newco common units received by the stockholder in the spin-off.

In addition, 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 (as defined in the Tax Matters Agreement). 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.

***If the Mergers do not qualify as a tax-free reorganization under Section 368 of the Code, the stockholders of Danaher may have significant tax liability.***

The obligation of Danaher to consummate the First Merger is conditioned, among other things, on Danaher's receipt of an opinion of Skadden, counsel to Danaher, to the effect that the Mergers will be treated as a tax-free reorganization in which no gain will be recognized for U.S. federal income tax purposes. 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 facts upon which the opinion will be based are materially different from the facts at the time of the Distribution, the Mergers 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 Newco and holders of Newco common units could be materially less favorable. If the Mergers were taxable, Newco common unit holders would be considered to have made a taxable sale of their Newco common units to NetScout, and Newco common unit holders would generally recognize taxable gain or loss on their receipt of NetScout common stock in the Mergers. See Material U.S. Federal Income Tax Consequences of the Transactions.

***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.





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**Table of Contents****Risks Related to the Exchange Offer*****Tendering Danaher stockholders may receive a reduced premium or may not receive any premium in this exchange offer.***

This exchange offer is designed to permit you to exchange your shares of Danaher common stock for Newco common units at a 7% discount to the per-unit value of Newco common units, calculated as set forth in this prospectus. Stated another way, for each \$100 of your Danaher common stock accepted in this exchange offer, you will receive approximately \$107.53 of Newco common units (subject to the exception described below). The value of the Danaher common stock will be based on the calculated per-share value of Danaher common stock on the NYSE and the value of the Newco common units will be based on the calculated per-share value of NetScout common stock on NASDAQ, in each case determined by reference to the simple arithmetic average of the daily VWAP on each of the Valuation Dates.

The number of shares you can receive is, however, subject to an upper limit of 2.2522 Newco common units for each share of Danaher common stock accepted in this exchange offer. As a result, you may receive less than \$107.53 of Newco common units for each \$100 of Danaher common stock, depending on the calculated per-share value of Danaher common stock and the calculated per-unit value of Newco common units at the expiration date. Because of the limit on the number of Newco common units you may receive in this exchange offer, if there is a drop of sufficient magnitude in the trading price of NetScout common stock relative to the trading price of Danaher common stock, and/or if there is an increase of sufficient magnitude in the trading price of Danaher common stock relative to the trading price of NetScout common stock, you may not receive \$107.53 of Newco common units for each \$100 of Danaher common stock, and could receive much less.

For example, if the calculated per-share value of Danaher common stock was \$87.81 (the highest closing price for Danaher common stock on the NYSE during the three month period prior to commencement of this exchange offer) and the calculated per-unit value of Newco common units was \$38.41 (the lowest closing price for NetScout common stock on NASDAQ during that three month period), the value of Newco common units, based on the NetScout common stock price, received for Danaher common stock accepted for exchange would be approximately \$98.52 for each \$100 of Danaher common stock accepted for exchange.

This exchange offer does not provide for a minimum exchange ratio. See *This Exchange Offer Terms of this Exchange Offer*. If the upper limit on the number of Newco common units that can be received for each share of Danaher common stock tendered is in effect at the expiration of the exchange offer period, then the exchange ratio will be fixed at the upper limit and a Mandatory Extension of this exchange offer will be made until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date to permit stockholders to validly tender or properly withdraw their Danaher common stock during those days. Any changes in the prices of Danaher common stock or NetScout common stock on those additional days of this exchange offer will not, however, affect the exchange ratio.

For example, if the trading price of Danaher common stock were to increase during the last two trading days of the exchange offer, the average Danaher stock price used to calculate the exchange ratio would likely be lower than the closing price of shares of Danaher common stock on the expiration date of the exchange offer. As a result, you may receive fewer Newco common units, and therefore effectively fewer shares of NetScout common stock, for each \$100 of shares of Danaher common stock than you would have if the average Danaher stock price was calculated on the basis of the closing price of shares of Danaher common stock on the expiration date of the exchange offer or on the basis of an averaging period that includes the last two trading days prior to the expiration of the exchange offer period. Similarly, if the trading price of NetScout common stock were to decrease during the last two trading days prior to the

expiration of the exchange offer period, the average NetScout stock price used to calculate the exchange ratio would likely be higher than the closing price of NetScout common stock on the expiration date. This could also result in your receiving fewer Newco common units, and therefore effectively fewer shares of NetScout common stock, for each \$100 of Danaher common stock than you would otherwise receive if the average NetScout common stock price were calculated on the basis

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of the closing price of NetScout common stock on the expiration date or on the basis of an averaging period that included the last two trading days prior to the expiration of the exchange offer period.

In addition, there is no assurance that holders of shares of Danaher common stock that are exchanged for Newco common units in this exchange offer will be able to sell the shares of NetScout common stock after receipt in the First Merger at prices comparable to the calculated per-unit value of Newco common units at the expiration date. For example, in the event the exchange offer is not fully subscribed, Danaher will distribute in the spin-off the remaining Newco common units that will convert into NetScout common stock in the First Merger. Danaher stockholders who receive NetScout common stock as a result of the spin-off (in the event the exchange offer is not fully subscribed) and the First Merger may not want to be NetScout common stock holders and may sell those shares immediately in the public market. Although Danaher has no actual knowledge of any plan or intention of any significant stockholder of Danaher to sell the NetScout common stock it receives as a result of the spin-off (in the event the exchange offer is not fully subscribed) and the First Merger, it is possible that some Danaher stockholders will sell the NetScout common stock they receive if, for reasons such as NetScout's business profile or market capitalization, NetScout does not fit their investment objectives, or in the case of index funds, NetScout is not a participant in the index in which they are investing. The sales of significant amounts of NetScout common stock relating to the above events or the perception in the market that such sales will occur may decrease the market price of NetScout's common stock.

***Following the conversion of Newco common units into shares of NetScout common stock in the First Merger, the former holders of Newco common units may experience a delay prior to receiving their shares of NetScout common stock or their cash in lieu of fractional shares, if any.***

Following the conversion of Newco common units into shares of NetScout common stock, the former holders of Newco common units will receive their shares of NetScout common stock or their cash in lieu of fractional shares, if any, only upon surrender of all necessary documents, duly executed, to the exchange offer agent. Until the distribution of the shares of NetScout common stock to the individual stockholder has been completed, the relevant holder of shares of NetScout common stock will not be able to sell its shares of NetScout common stock. Consequently, in case the market price for NetScout common stock should decrease during that period, the relevant stockholder would not be able to stop any losses by selling the shares of NetScout common stock. Similarly, the former holders of Newco common units who received cash in lieu of fractional shares will not be able to invest the cash until the distribution to the relevant stockholder has been completed, and they will not receive interest payments for this time period.

***Danaher stockholders' investment will be subject to different risks after the exchange offer regardless of whether they elect to participate in the exchange offer.***

If Danaher stockholders exchange all of their shares of Danaher common stock and the exchange offer is not oversubscribed, then they will no longer have an interest in Danaher, but instead they will directly own an interest in NetScout. As a result, their investment will be subject exclusively to risks associated with NetScout and not risks associated solely with Danaher.

If Danaher stockholders exchange all of their shares of Danaher common stock and the exchange offer is oversubscribed, then the offer will be subject to the proration procedures described below and, unless their odd-lot tender is not subject to proration, such Danaher stockholders will own an interest in both Danaher and NetScout. As a result, their investment will be subject to risks associated with both Danaher and NetScout.

If Danaher stockholders exchange some, but not all, of their shares of Danaher common stock, then regardless of whether the exchange offer is fully subscribed, the number of shares of Danaher common stock they own will decrease (unless they otherwise acquire shares of Danaher common stock), while the number of Newco common units, and therefore effectively shares of NetScout common stock, they

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own will increase. As a result, their investment will be subject to risks associated with both Danaher and NetScout.

In addition to the consequences of the exchange offer described above, Danaher stockholders that remain stockholders of Danaher following the completion of the exchange offer will receive shares of NetScout common stock (although they may instead receive only cash in lieu of a fractional share) when Danaher completes the spin-off (in the event the exchange offer is not fully subscribed) described under **This Exchange Offer Distribution of Newco Common Units Remaining After This Exchange Offer**. As a result, their investment may be subject to risks associated with both Danaher and NetScout.

Whether or not Danaher stockholders tender their shares of Danaher common stock, any Danaher shares they hold after the completion of the exchange offer will reflect a different investment from the investment they previously held as a result of the distribution of the Communications Business.

**Risks Related to the Combined Company's Business Following the Transactions**

***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.

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.

***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 upon completion of the Transactions, pre-First Merger holders of Newco common units and Newco Employees will hold approximately 59.5% of NetScout's common stock on a fully-diluted basis and

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NetScout's existing equityholders 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 prospectus 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, 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 prospectus has been derived from the consolidated financial 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.





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***Following the exchange of shares of NetScout common stock for Newco common units in the Mergers, the former holders of Newco common units may experience a delay prior to receiving their shares of NetScout common stock or their cash in lieu of fractional shares, if any, if they fail to surrender all necessary documents, duly executed and on a timely basis, to the transfer agent.***

Following the exchange of shares of NetScout common stock for Newco common units, the former holders of Newco common units will receive their shares of NetScout common stock or their cash in lieu of fractional shares, if any, only upon surrender of all necessary documents, duly executed and on a timely basis, to the transfer agent. Former holders of Newco common units who fail to surrender all necessary documents, duly executed and on a timely basis, to the transfer agent, may experience a delay prior to receiving their shares of NetScout common stock or their cash in lieu of fractional shares, if any. Until the distribution of the shares of NetScout common stock to the individual stockholder has been completed, the relevant holder of shares of NetScout common stock will not be able to sell its shares of NetScout common stock. Consequently, in case the market price for NetScout common stock should decrease during that period, the relevant stockholder would not be able to stop any losses by selling the shares of NetScout common stock. Similarly, the former holders of Newco common units who received cash in lieu of fractional shares will not be able to invest the cash until the distribution to the relevant stockholder has been completed, and they will not receive interest payments for this time period.

***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 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 and the Communications Business while maintaining focus on providing consistent, high-quality products and service to customers;

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.

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***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 prospectus (including information included or incorporated by reference herein) contains certain statements relating to future events and each of Danaher's, Newco's 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 each of Danaher's, Newco's and 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 prospectus 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, expects, projects, plans, targets, forecasts, and similar phrases. These forward-looking statements are based upon current assumptions and expectations of each of Danaher's, Newco's and NetScout's management. Such forward-looking statements are subject to risks and uncertainties that could cause each of Danaher's, Newco's and 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 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 Danaher or NetScout common stock as well as each of Danaher's, Newco's and 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 businesses of each respective company 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 each company's businesses, financial condition, results of operations and cash flows; and

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

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In addition, other factors besides those listed here could adversely affect each of Danaher's, Newco's and 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 each of Danaher's, Newco's and 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 each of Danaher, Newco and NetScout might make or by known or unknown risks and uncertainties. Many factors mentioned in this prospectus and in Danaher's and NetScout's annual and quarterly reports will be important in determining future results. Consequently, none of Danaher, Newco or NetScout can 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, none of Danaher, Newco or NetScout undertakes, and each 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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**THIS EXCHANGE OFFER**

**Terms of this Exchange Offer**

***General***

Danaher is offering to exchange all Newco common units that are owned by Danaher for shares of Danaher common stock, at an exchange ratio to be calculated in the manner described below, on the terms and conditions and subject to the limitations described below and in the letter of transmittal (including the instructions thereto) filed as an exhibit to the registration statement of which this prospectus forms a part, by 12:00 midnight, New York City time, on July 8, 2015, unless this exchange offer is extended or terminated. The last day on which tenders will be accepted, whether on July 8, 2015 or any later date to which this exchange offer is extended, is referred to in this prospectus as the expiration date. You may tender all, some or none of your shares of Danaher common stock.

Approximately 62,500,000 Newco common units will be held by Danaher upon completion of the Separation, subject to adjustment under certain circumstances. The number of shares of Danaher common stock that will be accepted if this exchange offer is completed will depend on the final exchange ratio, the number of Newco common units offered and the number of shares of Danaher common stock tendered.

Danaher's obligation to complete this exchange offer is subject to important conditions that are described in the section entitled "Conditions for Consummation of this Exchange Offer."

For each share of Danaher common stock that you validly tender in this exchange offer and do not properly withdraw and that is accepted, you will receive a number of Newco common units at a 7% discount to the per-share value of NetScout common stock, calculated as set forth below, subject to an upper limit of 2.2522 Newco common units per share of Danaher common stock. Stated another way, subject to the upper limit described below, for each \$100 of Danaher common stock accepted in this exchange offer, you will receive approximately \$107.53 of Newco common units.

The final calculated per-share value and per-unit value, as applicable, will be equal to:

1. with respect to Danaher common stock, the simple arithmetic average of the daily VWAP of Danaher common stock on the NYSE for each of the Valuation Dates, as reported by Bloomberg L.P. displayed under the heading Bloomberg VWAP on the Bloomberg page `DHR UN<Equity>AQR` (or its equivalent successor page if such page is not available); and
2. with respect to Newco common units, the simple arithmetic average of the daily VWAP of NetScout common stock on NASDAQ for each of the Valuation Dates, as reported by Bloomberg L.P. displayed under the heading Bloomberg VWAP on the Bloomberg page `NTCT UW<Equity>AQR` (or its equivalent successor page if such page is not available).

The daily VWAP provided by Bloomberg L.P. may be different from other sources of volume weighted average prices or investors' or security holders' own calculations of volume weighted average prices. Danaher will determine such calculations of the per-share value of Danaher common stock and the per-unit value of Newco common units, and such determination will be final.

If the upper limit on the number of Newco common units that can be received for each share of Danaher common stock tendered is in effect at the expiration of the exchange offer period, then the exchange ratio will be fixed at the limit and a Mandatory Extension of this exchange offer will be made until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date. See Extension; Termination; Amendment Mandatory Extension.



**Table of Contents*****Upper Limit***

The number of units you can receive is subject to an upper limit of 2.2522 Newco common units for each share of Danaher common stock accepted in this exchange offer. If the upper limit is in effect, a stockholder will receive less than \$107.53 of Newco common units for each \$100 of Danaher common stock that the stockholder validly tenders, that is not properly withdrawn and that is accepted in the exchange offer, and the stockholder could receive much less. This limit was calculated based on a 10% discount for Newco common units based on the average of the daily VWAPs of Danaher common stock and NetScout common stock on May 8, 2015, May 11, 2015 and May 12, 2015 (the last three trading days ending on the second to last trading day prior to commencement of this exchange offer). Danaher set this limit to ensure that an unusual or unexpected drop in the trading price of NetScout common stock, relative to the trading price of Danaher common stock, would not result in an unduly high number of Newco common units being exchanged for each share of Danaher common stock accepted in this exchange offer.

***Pricing Mechanism***

The terms of this exchange offer are designed to result in your receiving \$107.53 of Newco common units for each \$100 of Danaher common stock validly tendered, not properly withdrawn and accepted in this exchange offer based on the calculated per-share and per-unit values described above. This exchange offer does not provide for a minimum exchange ratio because a minimum exchange ratio could result in the Newco common units exchanged for each \$100 of Danaher common stock being valued higher than approximately \$107.53. Regardless of the final exchange ratio, the terms of this exchange offer would always result in you receiving approximately \$107.53 of Newco common units for each \$100 of Danaher common stock, so long as the upper limit is not in effect. See the table on page 64 for purposes of illustration.

Subject to the upper limit described above, for each \$100 of Danaher common stock accepted in this exchange offer, you will receive approximately \$107.53 of Newco common units. The following formula will be used to calculate the number of Newco common units you will receive for shares of Danaher common stock accepted in this exchange offer:

Number of Newco common units	= Number of shares of Danaher common stock tendered and accepted, multiplied by the lesser of:	(a) 2.2522 and (b) 100% of the calculated per share value of Danaher common stock divided by 93% of the calculated per unit value of Newco common units
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(calculated as described below)

The calculated per-share value of a share of Danaher common stock for purposes of this exchange offer will equal the simple arithmetic average of the daily VWAP of Danaher common stock on the NYSE on each of the Valuation Dates. The calculated per unit value of a Newco common unit for purposes of this exchange offer will equal the simple arithmetic average of the daily VWAP of NetScout common stock on NASDAQ on each of the Valuation Dates.

To help illustrate the way this calculation works, below are two examples:

**Example 1:** Assuming that the average of the daily VWAP on the Valuation Dates is \$84.30 per share of Danaher common stock and \$41.60 per share of NetScout common stock, you would receive 2.1790 (\$84.30 divided by 93% of \$41.60) Newco common units for each share of Danaher common stock accepted in this exchange offer. In this example, the upper limit of 2.2522 Newco common units for each share of Danaher common stock would not apply.

Example 2: Assuming that the average of the daily VWAP on the Valuation Dates is \$95.00 per share of Danaher common stock and \$37.00 per share of NetScout common stock, the upper limit would apply and you would only receive 2.2522 Newco common units for each share of Danaher common stock accepted in this exchange offer because the limit is less than 2.7608 ( $\$95.00$  divided by 93% of  $\$37.00$ ) Newco common units for each share of

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Danaher common stock. Because the upper limit would apply, this exchange offer would be automatically extended until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date, and the exchange ratio would be fixed at the upper limit.

### ***Indicative Per-Share and Per-Unit Values***

Indicative exchange ratios, calculated per-share values of Danaher common stock, calculated per-unit values of Newco common units and the final exchange ratio used to determine the number of Newco common units to be exchanged per share of Danaher common stock will be available commencing after the close of trading on the third trading day of the exchange offer by contacting the information agent at the toll-free number provided on the back cover of this prospectus on each day of the exchange offer period prior to the announcement of the final exchange ratio. In addition, a website will be maintained at <http://www.danaher.com/netscout> that provides indicative exchange ratios, calculated per-share values of Danaher common stock and calculated per-unit values of Newco common units.

From the commencement of this exchange offer until the first Valuation Date, the website will show the indicative calculated per-share and per-unit values, as applicable, calculated as though that day were the expiration date of this exchange offer, of (i) Danaher common stock, which will equal the simple arithmetic average of the daily VWAP of Danaher common stock, as calculated by Danaher, on each of the three prior trading days and (ii) Newco common units, which will equal the simple arithmetic average of the daily VWAP of NetScout common stock, as calculated by Danaher, on each of the three prior trading days.

On each of the Valuation Dates, when the values of Danaher common stock and Newco common units are calculated for the purposes of this exchange offer, the indicative calculated per-share values of Danaher common stock and the indicative calculated per-unit values of Newco common units, as calculated by Danaher, will each equal (i) on the first Valuation Date, the intra day VWAP during the elapsed portion of that day, (ii) on the second Valuation Date, the intra day VWAP during the elapsed portion of that day averaged with the actual daily VWAP on the first Valuation Date and (iii) on the third Valuation Date, the intra day VWAP during the elapsed portion of that day averaged with the actual daily VWAP on the first Valuation Date and with the actual daily VWAP on the second Valuation Date.

Intra day VWAP means VWAP for the period beginning at the official open of trading on the NYSE and ending as of the specific time on such day. On each of the Valuation Dates, the indicative calculated per-share and per-unit values and indicative exchange ratio calculated using such values will be updated at 10:30 a.m., 1:30 p.m. and 4:30 p.m. New York City time.

### ***Final Exchange Ratio***

The final exchange ratio that shows the number of Newco common units that you will receive for each share of Danaher common stock accepted in this exchange offer will be available at <http://www.danaher.com/netscout> and announced by press release by 4:30 p.m., New York City time, on July 8, 2015, the expiration date, unless this exchange offer is extended or terminated.

After that time, you may also contact the information agent to obtain the final exchange ratio at its toll free number provided on the back cover of this prospectus.

Each of the daily VWAPs, intra day VWAPs, calculated per-share and per-unit values and the final exchange ratio will be rounded to four decimal places.

If Danaher common stock or NetScout common stock does not trade on any of the Valuation Dates, the calculated per-share value of Danaher common stock and the calculated per-unit value of Newco common units will be

determined using the daily VWAP of Danaher common stock and NetScout common stock on the preceding trading day or days, as the case may be, on which both Danaher common stock and NetScout common stock did trade.

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Since this exchange offer is scheduled to expire at 12:00 midnight, New York City time, on the expiration date, and the final exchange ratio will be announced by 4:30 p.m., New York City time, on the expiration date of this exchange offer, you will be able to tender or withdraw your shares of Danaher common stock after the final exchange ratio is determined. For more information on validly tendering and properly withdrawing your shares, see Procedures for Tendering and Withdrawal Rights.

For the purposes of illustration, the table below indicates the number of Newco common units that you would receive per share of Danaher common stock, calculated on the basis described above and taking into account the limit described above, assuming a range of averages of the daily VWAP of Danaher common stock and NetScout common stock on the Valuation Dates. The first row of the table below shows the indicative calculated per-share value of Danaher common stock, the indicative calculated per-unit value of Newco common units and the indicative exchange ratio that would have been in effect following the official close of trading on the NYSE on May 12, 2015, based on the daily VWAPs of Danaher common stock and NetScout common stock on May 8, 2015, May 11, 2015 and May 12, 2015. The table also shows the effects of a 10% increase or decrease in either or both the calculated per-share value of Danaher common stock and the calculated per-unit value of Newco common units based on changes relative to the values of May 12, 2015.

Danaher common stock	NetScout common stock	Calculated per-share value of Danaher common stock(A)	Calculated per-unit value (before the 7% discount) of Newco common units(B)	Newco common units to be received per share of Danaher common stock tendered (the exchange ratio)(C)	Calculated Value Ratio(1)
<b>As of May 12, 2015</b>	As of May 12, 2015	\$ 84.2876	\$ 41.5824	2.1796	1.08
<b>Down 10%</b>	Up 10%	\$ 75.8588	\$ 45.7406	1.7833	1.08
<b>Down 10%</b>	Unchanged	\$ 75.8588	\$ 41.5824	1.9616	1.08
<b>Down 10%</b>	Down 10%	\$ 75.8588	\$ 37.4241	2.1796	1.08
<b>Unchanged</b>	Up 10%	\$ 84.2876	\$ 45.7406	1.9814	1.08
<b>Unchanged</b>	Down 10%(2)(3)	\$ 84.2876	\$ 37.4241	2.2522	1.00
<b>Up 10%</b>	Up 10%	\$ 92.7164	\$ 45.7406	2.1796	1.08
<b>Up 10%</b>	Unchanged(2)(4)	\$ 92.7164	\$ 41.5824	2.2522	1.01
<b>Up 10%</b>	Down 10%(2)(5)	\$ 92.7164	\$ 37.4241	2.2522	0.91

- (1) The Calculated Value Ratio equals (i) the calculated per-unit value of Newco common units (B) multiplied by the exchange ratio (C), divided by (ii) the calculated per-share value of Danaher common stock (A), rounded to the nearest two decimals.
- (2) In this scenario, Danaher would announce that the upper limit on the number of Newco common units that can be received for each share of Danaher common stock tendered is in effect at the expiration of the exchange offer period no later than 4:30 p.m., New York City time, on the expiration date, the exchange ratio would be fixed at the upper limit and this exchange offer would be extended until 12:00 midnight, New York City time, on the

second trading day following the originally scheduled expiration date.

- (3) In this scenario, the upper limit is in effect. Absent the upper limit, the exchange ratio would have been 2.4218 Newco common units per share of Danaher common stock validly tendered and accepted in this exchange offer. In this scenario, tendering Danaher shareholders would receive less than \$100 in value of Newco common units for each \$100 in value of Danaher common stock.
- (4) In this scenario, the upper limit is in effect. Absent the upper limit, the exchange ratio would have been 2.3975 Newco common units per share of Danaher common stock validly tendered and accepted in this exchange offer.
- (5) In this scenario, the upper limit is in effect. Absent the upper limit, the exchange ratio would have been 2.6639 Newco common units per share of Danaher common stock validly tendered and accepted in this exchange offer. In this scenario, tendering Danaher shareholders would receive less than \$100 in value of Newco common units for each \$100 in value of Danaher common stock.

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During the three month period of February 12, 2015 through May 12, 2015, the highest closing price of Danaher common stock on the NYSE was \$87.81 and the lowest closing price of NetScout common stock on NASDAQ was \$38.41. If the calculated per-share value of Danaher common stock and the calculated per-unit value of Newco common units equaled these closing prices, you would receive only the limit of 2.2522 Newco common units for each share of Danaher common stock tendered, and the value of such Newco common units, based on the NetScout common stock price, would have been approximately \$98.52 of Newco common units for each \$100 of Danaher common stock accepted for exchange.

If the trading price of Danaher common stock were to increase during the last two trading days prior to the expiration of this exchange offer, the average per-share value of Danaher common stock used to calculate the exchange ratio would likely be lower than the closing price of Danaher common stock on the expiration date of this exchange offer. As a result, you may receive fewer Newco common units and, therefore, effectively fewer shares of NetScout common stock, for each \$100 of Danaher common stock than you would have if that per-share value were calculated on the basis of the closing price of Danaher common stock on the expiration date of this exchange offer. Similarly, if the trading price of NetScout common stock were to decrease during the last two trading days prior to the expiration of this exchange offer, the average per-unit value of Newco common units used to calculate the exchange ratio would likely be higher than the closing price of NetScout common stock on the expiration date of this exchange offer. This could also result in your receiving fewer Newco common units and, therefore, effectively fewer shares of NetScout common stock, for each \$100 of Danaher common stock than you would otherwise receive if that per unit value were calculated on the basis of the closing price of NetScout common stock on the expiration date of this exchange offer.

The number of shares of Danaher common stock that may be accepted in this exchange offer may be subject to proration. Depending on the number of shares of Danaher common stock validly tendered, and not properly withdrawn in this exchange offer, and the final exchange ratio, determined as described above, Danaher may have to limit the number of shares of Danaher common stock that it accepts in this exchange offer through a proration process. Any proration of the number of shares accepted in this exchange offer will be determined on the basis of the proration mechanics described below under Proration; Odd-Lots.

This prospectus and related documents are being sent to persons who directly held shares of Danaher common stock on May 13, 2015 and brokers, banks and similar persons whose names or the names of whose nominees appear on Danaher's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Danaher's common stock.

***Proration; Odd-Lots***

If, upon the expiration of this exchange offer, Danaher stockholders have validly tendered and not properly withdrawn more shares of Danaher common stock than Danaher is able to accept for exchange (taking into account the exchange ratio and the total number of Newco common units owned by Danaher), Danaher will accept for exchange the Danaher common stock validly tendered and not properly withdrawn by each tendering stockholder on a pro rata basis, based on the proportion that the total number of shares of Danaher common stock to be accepted bears to the total number of shares of Danaher common stock validly tendered and not properly withdrawn (rounded to the nearest whole number of shares of Danaher common stock), and subject to any adjustment necessary to ensure the exchange of all Newco common units being offered by Danaher in this exchange offer, except for tenders of odd lots, as described below.

Except as otherwise provided in this section, beneficial holders (other than plan participants in the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan) of fewer than 100 shares of Danaher common stock

who validly tender all of their shares will not be subject to proration if this exchange offer is oversubscribed. Beneficial holders of 100 or more shares of Danaher common stock are not eligible for this preference.



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stock who validly tender all of their shares will not be subject to proration if this exchange offer is oversubscribed. Beneficial holders of 100 or more shares of Danaher common stock are not eligible for this preference.

Any beneficial holder (other than plan participants in the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan) of fewer than 100 shares of Danaher common stock who wishes to tender all of the shares must complete the section entitled "Odd Lot Shares" on the letter of transmittal. If your odd lot shares are held by a broker for your account, you can contact your broker and request the preferential treatment.

Danaher will announce the preliminary proration factor for this exchange offer at <http://www.danaher.com/netscout> and separately by press release promptly after the expiration of the exchange offer. Upon determining the number of shares of Danaher common stock validly tendered for exchange, Danaher will announce the final results, including the final proration factor for this exchange offer.

Any shares of Danaher common stock not accepted for exchange in this exchange offer as a result of proration or otherwise will be returned to the tendering stockholder promptly after the final proration factor for this exchange offer is determined.

For purposes of this exchange offer, a "business day" means any day other than a Saturday, Sunday or U.S. federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

### ***Fractional Shares***

Following the consummation of the exchange offer, Merger Sub will be merged with and into Newco, whereby Newco will continue as the surviving company and a wholly-owned subsidiary of NetScout. 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 fully paid and nonassessable 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. In this conversion of Newco common units into shares of NetScout common stock, no fractional shares of NetScout common stock will be delivered to holders of Newco common units. Instead, holders of Newco common units who would otherwise be entitled to receive a fractional share of NetScout common stock will receive in cash the dollar amount (rounded to the nearest whole cent) determined by multiplying such fraction by the closing price of NetScout common stock on NASDAQ on the last business day prior to the effective time of the First Merger. The amount received by such holders of Newco common units will be net of any required withholding taxes.

### ***Exchange of Shares of Danaher Common Stock***

Upon the terms and subject to the conditions of this exchange offer (including, if this exchange offer is extended or amended, the terms and conditions of the extension or amendment), Danaher will accept for exchange and will exchange, for Newco common units owned by Danaher, the Danaher common stock validly tendered, and not properly withdrawn, prior to the expiration of this exchange offer, promptly after the expiration date.

The exchange of Danaher common stock tendered and accepted for exchange pursuant to this exchange offer will be made only after timely receipt by the exchange offer agent of (a) (i) certificates representing all physically tendered shares of Danaher common stock or (ii) in the case of shares delivered by book-entry transfer through The Depository

Trust Company, confirmation of a book-entry transfer of those shares of Danaher common stock in the exchange offer agent's account at The Depository Trust Company, in each case pursuant to the procedures set forth in the section below entitled Procedures for Tendering, (b) the letter of transmittal

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for shares of Danaher common stock, properly completed and duly executed, with any required signature guarantees, or, in the case of a book entry transfer through The Depository Trust Company, an agent's message and (c) any other required documents.

For purposes of this exchange offer, Danaher will be deemed to have accepted for exchange, and thereby exchanged, Danaher common stock validly tendered and not properly withdrawn if and when Danaher notifies the exchange offer agent of its acceptance of the tenders of those shares of Danaher common stock pursuant to this exchange offer.

Upon the consummation of this exchange offer, Danaher will irrevocably deliver to the exchange offer agent a global certificate representing all of the Newco common units being exchanged in this exchange offer, with irrevocable instructions to hold the Newco common units as agent for holders of shares of Danaher common stock validly tendered and not properly withdrawn in the exchange offer and, in the case of a pro rata distribution, if any, Danaher stockholders whose shares of Danaher common stock remain outstanding after the consummation of the exchange offer (as described below under *Distribution of Newco Common Units Remaining After this Exchange Offer*). NetScout will deposit with the transfer agent for the benefit of persons who received Newco common units in this exchange offer (or in the pro rata distribution, if applicable) certificates or book-entry authorizations representing shares of NetScout common stock, with irrevocable instructions to hold the shares of NetScout common stock as agent for the holders of Newco common units.

Upon surrender of the documents required by the exchange offer agent, duly executed, each former holder of Newco common units will receive from the merger exchange agent in exchange therefor shares of NetScout common stock and/or cash in lieu of fractional shares of NetScout common stock, as the case may be. You will not receive any interest on any cash paid to you, even if there is a delay in making the payment.

If Danaher does not accept for exchange any tendered shares of Danaher common stock for any reason pursuant to the terms and conditions of this exchange offer, the exchange offer agent (a) in the case of shares of Danaher common stock held in certificated form, will return certificates representing such shares without expense to the tendering stockholder and (b) in the case of shares tendered by book-entry transfer pursuant to the procedures set forth below in the section entitled *Procedures for Tendering*, such shares will be credited to an account maintained within The Depository Trust Company, in each case promptly following expiration or termination of this exchange offer.

### ***Procedures for Tendering***

#### ***Shares Held in Certificated Form/Book-Entry DRS***

If you hold certificates representing shares of Danaher common stock, or if your shares of Danaher common stock are held in book-entry via the DRS, you must deliver to the exchange offer agent a properly completed and duly executed letter of transmittal, along with any required signature guarantees and any other required documents. If you hold certificates representing shares of Danaher common stock, you must also deliver to the exchange offer agent the certificates representing the shares of Danaher common stock tendered. The exchange offer agent's address is listed on the letter of transmittal. Since certificates are not issued for DRS shares, you do not need to deliver any certificates representing those shares to the exchange offer agent.

#### ***Shares Held Through a Broker, Dealer, Commercial Bank, Trust Company or Similar Institution***

If you hold shares of Danaher common stock through a broker, dealer, commercial bank, trust company or similar institution and wish to tender your shares of Danaher common stock in this exchange offer, you should follow the instructions sent to you separately by that institution. In this case, you should not use a letter of transmittal to direct

the tender of your Danaher common stock. If that institution holds shares of Danaher common stock through The Depository Trust Company, it must notify The Depository Trust Company and cause it to transfer the shares into the exchange offer agent's account in accordance with The Depository Trust

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Company's procedures. The institution must also ensure that the exchange offer agent receives an agent's message from The Depository Trust Company confirming the book entry transfer of your Danaher common stock. A tender by book entry transfer will be completed upon receipt by the exchange offer agent of an agent's message, book entry confirmation from The Depository Trust Company and any other required documents.

The term "agent's message" means a message, transmitted by The Depository Trust Company to, and received by, the exchange offer agent and forming a part of a book entry confirmation, which states that The Depository Trust Company has received an express acknowledgment from the participant in The Depository Trust Company tendering the shares of Danaher common stock which are the subject of the book entry confirmation, that the participant has received and agrees to be bound by the terms of the letter of transmittal (including the instructions thereto) and that Danaher may enforce that agreement against the participant.

The exchange offer agent will establish an account with respect to the shares of Danaher common stock at The Depository Trust Company for purposes of this exchange offer, and any eligible institution that is a participant in The Depository Trust Company may make book entry delivery of shares of Danaher common stock by causing The Depository Trust Company to transfer such shares into the exchange offer agent's account at The Depository Trust Company in accordance with The Depository Trust Company's procedure for the transfer. Delivery of documents to The Depository Trust Company does not constitute delivery to the exchange offer agent.

### *Shares Held in the Danaher Stock Fund through the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan*

If you hold shares of Danaher common stock in your account under the Danaher Corporation & Subsidiaries Savings Plan, the Danaher Corporation & Subsidiaries Retirement & Savings Plan or the Danaher Corporation & Subsidiaries Puerto Rico Savings Plan, you can elect to either keep your shares of Danaher common stock or exchange some or all of your shares of Danaher common stock for Newco common units. You will receive instructions from the applicable plan record keeper via letter or email informing you how to make an election and the deadline for making an election. If you do not make an active election prior to the applicable deadline, none of the shares of NetScout common stock in your account will be exchanged for Newco common units.

If the offer to exchange shares of Danaher common stock for NetScout common stock is oversubscribed, the number of shares of Danaher common stock that you elect to exchange will be reduced on a pro rata basis. Any proration of the number of shares accepted in this exchange offer will be determined on the basis of the proration mechanics described under "Terms of this Exchange Offer Proration." Please contact the phone number in the letter or email you receive from the applicable plan record keeper to speak with a customer service associate if you have not yet received instructions from the plan record keeper.

### *General Instructions*

**Do not send letters of transmittal and certificates representing Danaher common stock to Danaher, NetScout, Newco or the information agent.** Letters of transmittal for Danaher common stock and certificates representing Danaher common stock should be sent to the exchange offer agent at an address listed on the letter of transmittal. Trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity who sign a letter of transmittal or any certificates or stock powers must indicate the capacity in which they are signing and must submit evidence of their power to act in that capacity unless waived by Danaher.

Whether you tender your Danaher common stock by delivery of certificates or through your broker, the exchange offer agent must receive the letter of transmittal for Danaher common stock and the certificates representing your Danaher common stock at the address set forth on the back cover of this prospectus prior to the expiration of this exchange offer. Alternatively, in case of a book entry transfer of Danaher common stock

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through The Depository Trust Company, the exchange offer agent must receive the agent's message and a book-entry confirmation prior to such time and date.

**Letters of transmittal for Danaher common stock and certificates representing Danaher common stock must be received by the exchange offer agent. Please read carefully the instructions to the letter of transmittal you have been sent. You should contact the information agent if you have any questions regarding tendering your Danaher common stock.**

### *Signature Guarantees*

Signatures on all letters of transmittal for Danaher common stock must be guaranteed by a firm which is a member of the Securities Transfer Agents Medallion Program, or by any other eligible guarantor institution, as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing being a U.S. eligible institution), except in cases in which shares of Danaher common stock are tendered for the account of a U.S. eligible institution.

If the certificates representing shares of Danaher common stock are registered in the name of a person other than the person who signs the letter of transmittal, the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the certificates, with the signature(s) on the certificates or stock powers guaranteed by an eligible institution.

### *Guaranteed Delivery Procedures*

If you wish to tender shares of Danaher common stock pursuant to this exchange offer but (i) your certificates are not immediately available, (ii) you cannot deliver the shares or other required documents to the exchange offer agent on or before the expiration date of this exchange offer or (iii) you cannot comply with the procedures for book-entry transfer through The Depository Trust Company on a timely basis, you may still tender your Danaher common stock, so long as all of the following conditions are satisfied:

you must make your tender by or through a U.S. eligible institution;

on or before the expiration date, the exchange offer agent must receive a properly completed and duly executed notice of guaranteed delivery, substantially in the form made available by Danaher, in the manner provided below; and

within three NYSE trading days after the date of execution of such notice of guaranteed delivery, the exchange offer agent must receive (i) (A) certificates representing all physically tendered shares of Danaher common stock and (B) in the case of shares delivered by book-entry transfer through The Depository Trust Company, confirmation of a book-entry transfer of those shares of Danaher common stock in the exchange offer agent's account at The Depository Trust Company; (ii) a letter of transmittal for shares of Danaher common stock properly completed and duly executed (including any signature guarantees that may be required) or, in the case of shares delivered by book-entry transfer through The Depository Trust Company, an agent's message; and (iii) any other required documents.

Registered stockholders (including any participant in The Depository Trust Company whose name appears on a security position listing of The Depository Trust Company as the owner of Danaher common stock) may transmit the

notice of guaranteed delivery by facsimile transmission or mail it to the exchange offer agent. If you hold Danaher common stock through a broker, dealer, commercial bank, trust company or similar institution, that institution must submit any notice of guaranteed delivery on your behalf.

*Tendering Your Shares After the Final Exchange Ratio Has Been Determined*

Subject to a Mandatory Extension, the final exchange ratio will be available no later than 4:30 p.m., New York City time, on the expiration date of this exchange offer. If you are a registered stockholder of Danaher



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common stock, then it is unlikely that you will be able to deliver an original executed letter of transmittal (and, in the case of certificated shares, your share certificates) to the exchange offer agent prior to the expiration of this exchange offer at 12:00 midnight, New York City time, on the expiration date. Accordingly, in such a case, if you wish to tender your shares after the final exchange ratio has been determined, you will generally need to do so by means of delivering a notice of guaranteed delivery and complying with the guaranteed delivery procedures described above. If you hold Danaher common stock through a broker, dealer, commercial bank, trust company or similar institution, that institution must tender your shares on your behalf.

The Depository Trust Company is expected to remain open until 5:00 p.m., New York City time, and institutions may be able to process tenders for Danaher common stock through The Depository Trust Company during that time (although there is no assurance that this will be the case). Once The Depository Trust Company has closed, participants in The Depository Trust Company whose name appears on a Depository Trust Company security position listing as the owner of Danaher common stock will still be able to tender their Danaher common stock by delivering a notice of guaranteed delivery to the exchange offer agent via facsimile.

If you hold Danaher common stock through a broker, dealer, commercial bank, trust company or similar institution, that institution must submit any notice of guaranteed delivery on your behalf. It will generally not be possible to direct such an institution to submit a notice of guaranteed delivery once that institution has closed for the day. Stockholders should consult with the institution through which they hold shares on the procedures that must be complied with and the time by which such procedures must be completed in order for that institution to provide a notice of guaranteed delivery on such holder's behalf prior to 12:00 midnight, New York City time, on the expiration date. In addition, any such institution, if it is not an eligible institution, will need to obtain a Medallion guarantee from an eligible institution in the form set forth in the applicable notice of guaranteed delivery in connection with the delivery of those shares.

If the upper limit on the number of shares that can be received for each share of Danaher common stock validly tendered is in effect at the expiration of the exchange offer period, then the exchange ratio will be fixed at the limit and a Mandatory Extension of this exchange offer will be made until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date to permit stockholders to tender their Danaher common stock during those days. Any changes in the prices of Danaher common stock or NetScout common stock on those additional days of this exchange offer will not, however, affect the exchange ratio.

### *Effect of Tenders*

A tender of Danaher common stock pursuant to any of the procedures described above will constitute your acceptance of the terms and conditions of this exchange offer as well as your representation and warranty to Danaher that (1) you have the full power and authority to tender, sell, assign and transfer the tendered shares (and any and all other shares of Danaher common stock or other securities issued or issuable in respect of such shares), (2) when the same are accepted for exchange, Danaher will acquire good and unencumbered title to such shares, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims, and (3) you own the shares being tendered within the meaning of Rule 14e-4 promulgated under the Exchange Act.

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender shares of Danaher common stock for such person's own account unless, at the time of tender, the person so tendering (1) has a net long position equal to or greater than the amount of (a) shares of Danaher common stock tendered or (b) other securities immediately convertible into or exchangeable or exercisable for the shares of Danaher common stock tendered and such person will acquire such shares for tender by conversion, exchange or exercise and (2) will cause such shares to be delivered in accordance with the terms of this prospectus. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

The exchange of Danaher common stock validly tendered and accepted for exchange pursuant to this exchange offer will be made only after timely receipt by the exchange offer agent of (a) (i) certificates representing all physically tendered shares of Danaher common stock or (ii) in the case of shares delivered by

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book entry transfer through The Depository Trust Company, confirmation of a book entry transfer of those shares of Danaher common stock in the exchange offer agent's account at The Depository Trust Company, (b) the letter of transmittal for shares of Danaher common stock, properly completed and duly executed, with any required signature guarantees, or, in the case of a book entry transfer through The Depository Trust Company, an agent's message and (c) any other required documents.

*Appointment of Attorneys in Fact and Proxies*

By executing a letter of transmittal as set forth above, you irrevocably appoint Danaher's designees as your attorneys in fact and proxies, each with full power of substitution, to the full extent of your rights with respect to your shares of Danaher common stock tendered and accepted for exchange by Danaher and with respect to any and all other Danaher common stock and other securities issued or issuable in respect of the Danaher common stock on or after the expiration of the exchange offer. That appointment is effective when and only to the extent that Danaher deposits the Newco common units for the shares of Danaher common stock that you have tendered with the exchange offer agent. All such proxies will be considered coupled with an interest in the tendered shares of Danaher common stock and therefore will not be revocable. Upon the effectiveness of such appointment, all prior proxies that you have given will be revoked and you may not give any subsequent proxies (and, if given, they will not be deemed effective). Danaher's designees will, with respect to the shares of Danaher common stock for which the appointment is effective, be empowered, among other things, to exercise all of your voting and other rights as they, in their sole discretion, deem proper. Danaher reserves the right to require that, in order for shares of Danaher common stock to be deemed validly tendered, immediately upon Danaher's acceptance for exchange of those shares of Danaher common stock, Danaher must be able to exercise full voting rights with respect to such shares.

*Determination of Validity*

Danaher will determine questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of Danaher common stock, in Danaher's sole discretion, and its determination will be final and binding. Danaher reserves the absolute right to reject any and all tenders of Danaher common stock that it determines are not in proper form or the acceptance of or exchange for which may, in the opinion of its counsel, be unlawful. In the event a stockholder disagrees with such determination, he or she may seek to challenge such determination in a court of competent jurisdiction. Danaher also reserves the absolute right to waive any of the conditions of this exchange offer, or any defect or irregularity in the tender of any shares of Danaher common stock. **No tender of shares of Danaher common stock is valid until all defects and irregularities in tenders of shares of Danaher common stock have been cured or waived. Neither Danaher nor the exchange offer agent, the information agent or any other person is under any duty to give notification of any defects or irregularities in the tender of any shares of Danaher common stock or will incur any liability for failure to give any such notification. Danaher's interpretation of the terms and conditions of this exchange offer (including the letter of transmittal and instructions thereto) will be final and binding. Notwithstanding the foregoing, Danaher stockholders may challenge any such determination in a court of competent jurisdiction.**

*Binding Agreement*

The tender of Danaher common stock pursuant to any of the procedures described above, together with Danaher's acceptance for exchange of such shares pursuant to the procedures described above, will constitute a binding agreement between Danaher and you upon the terms of, and subject to, the conditions to this exchange offer.

**The method of delivery of share certificates of Danaher common stock and all other required documents, including delivery through The Depository Trust Company, is at your option and risk, and the delivery will be**

**deemed made only when actually received by the exchange offer agent. If delivery is by mail, it is recommended that you use registered mail with return receipt requested, properly insured. In all cases, you should allow sufficient time to ensure timely delivery.**

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### *Partial Tenders*

If you tender fewer than all the shares of Danaher common stock evidenced by any share certificate you deliver to the exchange offer agent, then you will need to fill in the number of shares that you are tendering in the table on the second page of the letter of transmittal. In those cases, as soon as practicable after the expiration of the exchange offer, the exchange offer agent will credit the remainder of the shares of common stock that were evidenced by the certificate(s) but not tendered to a DRS account in the name of the registered holder maintained by Danaher's transfer agent. Unless you indicate otherwise in your letter of transmittal, all of the shares of Danaher common stock represented by share certificates you deliver to the exchange offer agent will be deemed to have been validly tendered. No share certificates are expected to be delivered to you, including in respect of any shares delivered to the exchange offer agent that were previously in certificated form, except for share certificates representing shares not accepted in this exchange offer.

### *Lost, Stolen or Destroyed Certificates*

If your certificate(s) representing shares of Danaher common stock have been mutilated, destroyed, lost or stolen and you wish to tender your shares, you may request assistance with the replacement of the certificate(s) by calling Computershare at (800) 546-5141. You may also need to complete an affidavit of lost, stolen or destroyed certificate(s) (that you may request by calling Computershare at (800) 546-5141), post a surety bond for your lost, stolen or destroyed shares of Danaher common stock and pay a service fee. Upon completion of the requirements for replacement of your certificate(s) and upon receipt of the completed applicable letter of transmittal your shares of Danaher common stock will be considered tendered in this exchange offer.

### *Withdrawal Rights*

Shares of Danaher common stock validly tendered pursuant to this exchange offer may be withdrawn at any time before 12:00 midnight, New York City time, on the expiration date and, unless Danaher has previously accepted such shares pursuant to this exchange offer, may also be withdrawn at any time after the expiration of 40 business days from the commencement of this exchange offer. Once Danaher accepts Danaher common stock pursuant to this exchange offer, your tender is irrevocable.

For a withdrawal of shares of Danaher common stock to be effective, the exchange offer agent must receive from you a written notice of withdrawal, in the form made available to you, at one of its addresses or the fax number set forth on the back cover of this prospectus, and your notice must include your name and the number of shares of Danaher common stock to be withdrawn, as well as the name of the registered holder, if it is different from that of the person who tendered those shares.

If certificates have been delivered or otherwise identified to the exchange offer agent, the name of the registered holder and the certificate numbers of the particular certificates evidencing the shares of Danaher common stock must also be furnished to the exchange offer agent, as stated above, prior to the physical release of the certificates. If shares of Danaher common stock have been tendered pursuant to the procedures for book-entry tender discussed in the section entitled *Procedures for Tendering*, any notice of withdrawal must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn shares and must otherwise comply with the procedures of The Depository Trust Company.

**Danaher will decide all questions as to the form and validity (including time of receipt) of any notice of withdrawal, in its sole discretion, and its decision will be final and binding, subject to the rights of the tendering stockholders to challenge Danaher's determination in a court of competent jurisdiction. Neither Danaher nor**

**the exchange offer agent, the information agent nor any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or will incur any liability for failure to give any notification.**

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Any shares of Danaher common stock properly withdrawn will be deemed not to have been validly tendered for purposes of this exchange offer. However, you may re-tender withdrawn Danaher common stock by following one of the procedures discussed in the section entitled "Procedures for Tendering" at any time prior to the expiration of this exchange offer (or pursuant to the instructions sent to you separately).

Except for the withdrawal rights described above, any tender made under this exchange offer is irrevocable.

### *Withdrawing Your Shares After the Close of Business on the Expiration Date*

Subject to a Mandatory Extension, the final exchange ratio will be available no later than 4:30 p.m., New York City time, on the expiration date of this exchange offer. If you are a registered stockholder of Danaher common stock (which includes persons holding certificated shares) and you wish to withdraw your shares after the final exchange ratio has been determined, you must deliver a written notice of withdrawal or facsimile transmission notice of withdrawal to the exchange offer agent prior to 12:00 midnight, New York City time, on the expiration date. Medallion guarantees will not be required for such withdrawal notices. If you hold Danaher common stock through a broker, dealer, commercial bank, trust company or similar institution, any notice of withdrawal must be delivered by that institution on your behalf. Stockholders should consult with the institution through which they hold shares on the procedures that must be complied with and the time by which such procedures must be completed in order for that institution to provide a notice of withdrawal on such holder's behalf prior to 12:00 midnight, New York City time, on the expiration date.

The Depository Trust Company is expected to remain open until 5:00 p.m., New York City time, and institutions may be able to process withdrawals of Danaher common stock through The Depository Trust Company during that time (although there can be no assurance that this will be the case). Once The Depository Trust Company has closed, if you beneficially own shares of Danaher common stock that were previously delivered through The Depository Trust Company, then in order to properly withdraw your shares the institution through which your shares are held must deliver a written notice of withdrawal or facsimile transmission notice of withdrawal to the exchange offer agent prior to 12:00 midnight, New York City time, on the expiration date. Such notice of withdrawal must be in the form of The Depository Trust Company's notice of withdrawal, must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn shares and must otherwise comply with The Depository Trust Company's procedures. Shares can be properly withdrawn only if the exchange offer agent receives a withdrawal notice directly from the relevant institution that tendered the shares through The Depository Trust Company.

If the upper limit on the number of Newco common units that can be exchanged for each share of Danaher common stock tendered is in effect at the expiration of the exchange offer period, then the exchange ratio will be fixed at the limit and a Mandatory Extension of this exchange offer will be made until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date, which will permit stockholders to properly withdraw their shares of Danaher common stock during those days.

### ***Book Entry Accounts***

Certificates representing Newco common units will not be issued to holders of shares of Danaher common stock pursuant to this exchange offer. Rather than issuing certificates representing such Newco common units to tendering holders of shares of Danaher common stock, the exchange offer agent will cause Newco common units to be credited to records maintained by the exchange offer agent for the benefit of the respective holders. Following the consummation of the exchange offer, Merger Sub will be merged with and into Newco in the First Merger and each Newco common unit will be converted into the right to receive NetScout common stock and cash in lieu of fractional shares of NetScout common stock. In connection with the exchange offer, you will receive a letter of transmittal and

instructions for use in obtaining the NetScout common stock and cash in lieu of fractional shares of NetScout into which your Newco common units held in book-entry accounts are converted. As promptly as practicable following the First Merger and Danaher's notice and determination of the final proration factor, if any, the merger exchange agent will credit the shares of NetScout common stock into which



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the Newco common units have been converted to book-entry accounts maintained for the benefit of the Danaher stockholders who received Newco common units in the exchange offer or as a pro rata spin-off distribution (in the event the exchange offer is not fully subscribed) and will send these holders a statement evidencing their holdings of shares of NetScout common stock.

### ***Extension; Termination; Amendment***

#### ***Extension, Termination or Amendment by Danaher***

Subject to its compliance with the Merger Agreement, Danaher expressly reserves the right, in its sole discretion, at any time and from time to time to extend the period of time during which this exchange offer is open and thereby delay acceptance for payment of, and the payment for, any shares of Danaher common stock validly tendered and not properly withdrawn in this exchange offer. For example, this exchange offer can be extended if any of the conditions for consummation of this exchange offer described in the next section entitled **Conditions for Consummation of this Exchange Offer** are not satisfied or waived prior to the expiration of this exchange offer.

Subject to its compliance with the Merger Agreement, Danaher expressly reserves the right, in its sole discretion, to amend the terms of this exchange offer in any respect prior to the expiration of the exchange offer, except that Danaher does not intend to extend this exchange offer other than in the circumstances described above.

If Danaher materially changes the terms of or information concerning this exchange offer or if Danaher waives a material condition of this exchange offer, it will extend this exchange offer if required by law. The SEC has stated that, as a general rule, it believes that an offer should remain open for a minimum of five business days from the date that notice of the material change is first given or in the event there is a waiver of a material condition to the exchange offer. The length of time will depend on the particular facts and circumstances.

As required by law, this exchange offer will be extended so that it remains open for a minimum of ten business days following the announcement if:

Danaher changes the method for calculating the number of Newco common units offered in exchange for each share of Danaher common stock; and

this exchange offer is scheduled to expire within ten business days of announcing any such change.

If Danaher extends this exchange offer, is delayed in accepting for exchange any shares of Danaher common stock or is unable to accept for exchange any shares of Danaher common stock under this exchange offer for any reason, then, without affecting Danaher's rights under this exchange offer, the exchange offer agent may retain all shares of Danaher common stock tendered on Danaher's behalf. These shares of Danaher common stock may not be withdrawn except as provided in the section entitled **Withdrawal Rights**.

Danaher's reservation of the right to delay acceptance of any shares of Danaher common stock is subject to applicable law, which requires that Danaher pay the consideration offered or return the shares of Danaher common stock deposited promptly after the termination or withdrawal of this exchange offer.

Danaher will issue a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day following any extension, amendment, non-acceptance or termination of the previously scheduled

expiration date.

*Mandatory Extension*

Danaher will announce whether the limit on the number of shares that can be received for each share of Danaher common stock tendered is in effect at the last trading day prior to the expiration of the exchange offer period, at <http://www.danaher.com/netscout> and by press release, no later than 4:30 p.m., New York City time, on the expiration date. If the upper limit is in effect at that time, then the exchange ratio will be fixed at the limit

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and a Mandatory Extension will be made until 12:00 midnight, New York City time, on the second trading day following the originally contemplated expiration date to permit stockholders to tender or withdraw their Danaher common stock during those days. Danaher will issue a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day following any such Mandatory Extension.

### *Method of Public Announcement*

Subject to applicable law (including Rules 13e-4(d), 13e-4(e)(3) and 14e-1 under the Exchange Act, which require that any material change in the information published, sent or given to stockholders in connection with this exchange offer be promptly disclosed to stockholders in a manner reasonably designed to inform them of the change) and without limiting the manner in which Danaher may choose to make any public announcement, Danaher assumes no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to PR Newswire.

### **Conditions for Consummation of this Exchange Offer**

Danaher will not be required to complete and consummate this exchange offer and may extend or terminate this exchange offer, if, at the scheduled expiration of the exchange offer:

the registration statements on Forms S-4 and S-1 of which this prospectus is a part will not have become effective under the Securities Act of 1933 or any stop order suspending the effectiveness of such registration statement has been issued and is in effect;

the shares of NetScout common stock to be issued in the Mergers will not have been authorized for listing on NASDAQ;

less than 90% of the outstanding Newco common units are to be distributed to Danaher stockholders tendering their shares of Danaher common stock in this exchange offer (this condition is referred to in this prospectus as the minimum amount condition);

any condition precedent to the consummation of the Transactions (other than this exchange offer) pursuant to the Merger Agreement has not been fulfilled or waived (except for the conditions precedent that will be fulfilled at the time of the consummation of the Transactions) or for any reason the Transactions (other than this exchange offer) cannot be consummated promptly after consummation of this exchange offer (see The Merger Agreement Conditions to the Merger );

the Merger Agreement or the Distribution Agreement has been terminated;

Danaher has not received the IRS ruling (which IRS ruling has been received);

Danaher and Newco have not received the Tax Opinion from Danaher's counsel, dated as of the closing date of the First Merger; or

any of the following conditions or events have occurred, or Danaher reasonably expects any of the following conditions or events to occur:

any action, litigation, suit, claim or proceeding is instituted that would be reasonably likely to enjoin, prohibit, restrain, make illegal, make materially more costly or materially delay the consummation of the exchange offer;

any injunction, order, stay, judgment or decree is issued by any court, government, governmental authority or other regulatory or administrative authority having jurisdiction over Danaher, Newco or NetScout and is in effect, or any law, statute, rule, regulation, legislation, interpretation, governmental order or injunction will have been enacted or enforced, any of which would reasonably be likely to restrain, prohibit or delay consummation of this exchange offer;

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

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any extraordinary or material adverse change in U.S. financial markets generally, including, without limitation, a decline of at least 15% in either the Dow Jones Average of Industrial Stocks or the Standard & Poor's 500 Index within a period of 60 consecutive days or less occurring after May 13, 2015;

a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States;

a commencement of a war (whether declared or undeclared), armed hostilities or other national or international calamity or act of terrorism, directly or indirectly involving the United States, which would reasonably be expected to affect materially and adversely, or to delay materially, the consummation of this exchange offer;

if any of the situations above exist as of the commencement of this exchange offer, any material deterioration of the situation; or

a market disruption event (as defined below) occurs with respect to shares of Danaher common stock or NetScout common stock on any of the Valuation Dates and such market disruption event has, in Danaher's reasonable judgment, impaired the benefits of this exchange offer to Danaher.

If the minimum amount condition is not satisfied due to a low subscription rate in the exchange offer and is not otherwise waived by Danaher, Danaher would instead proceed with a spin-off distribution of the Newco common units to the holders of its common stock. If the upper limit described above is in effect at the expiration of the exchange offer and the minimum amount condition is not satisfied or waived as a result of the low number of tenders of Danaher stockholders, the minimum amount condition would allow Danaher to not consummate the exchange offer, thereby prevent the exchange of Danaher shares by tendering holders who may not have recognized or acted upon the underlying change in the economic benefits of the exchange offer resulting from the upper limit being in effect.

Each of the foregoing conditions to the consummation of the exchange offer is independent of any other condition; the exclusion of any event from a particular condition above does not mean that such event may not be included in another condition.

If any of the above events occurs, Danaher may:

terminate this exchange offer and promptly return all tendered shares of Danaher common stock to tendering stockholders;

extend this exchange offer and, subject to the withdrawal rights described in the section entitled "Withdrawal Rights," retain all tendered shares of Danaher common stock until the extended exchange offer expires;

amend the terms of the exchange offer; or

waive or amend any unsatisfied condition and, subject to any requirement to extend the period of time during which this exchange offer is open, complete this exchange offer.

These conditions are for the sole benefit of Danaher. Danaher may assert these conditions with respect to all or any portion of this exchange offer regardless of the circumstances giving rise to them (except any action or inaction by Danaher). Danaher expressly reserves the right, in its sole discretion, to waive any condition in whole or in part at any time prior to the expiration of this exchange offer. Danaher's failure to exercise its rights under any of the above conditions does not represent a waiver of these rights (provided that the right has not otherwise become exercisable). Each right is an ongoing right which may be asserted at any time prior to the expiration of this exchange offer. All conditions for consummation of this exchange offer must be satisfied or waived by Danaher prior to the expiration of this exchange offer.

A market disruption event with respect to either Danaher common stock or NetScout common stock means a suspension, absence or material limitation of trading of Danaher common stock on the NYSE or NetScout

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common stock on NASDAQ for more than two hours of trading or a breakdown or failure in the price and trade reporting systems of the NYSE or NASDAQ, as applicable, as a result of which the reported trading prices for Danaher common stock on the NYSE or NetScout common stock on NASDAQ during any half-hour trading period during the principal trading session in the NYSE or NASDAQ, as applicable, are materially inaccurate, as determined by Danaher or the exchange offer agent in its sole discretion, on the day with respect to which such determination is being made. For purposes of such determination, a limitation on the hours or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the NYSE or NASDAQ.

## **Fees and Expenses**

Danaher has retained Georgeson Inc. to act as the information agent and Computershare Trust Company, N.A. to act as the exchange offer agent in connection with this exchange offer. The information agent may contact holders of Danaher common stock by mail, e-mail, telephone, facsimile transmission and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to this exchange offer to beneficial owners. The information agent and the exchange offer agent each will receive reasonable compensation for its respective services, will be reimbursed for reasonable out-of-pocket expenses and will be indemnified against specified liabilities in connection with their services, including liabilities under the federal securities laws.

None of the information agent or the exchange offer agent has been retained to make solicitations or recommendations with respect to this exchange offer. The fees they receive will not be based on the number of shares of Danaher common stock tendered under this exchange offer.

Danaher will not pay any fees or commissions to any broker or dealer or any other person for soliciting tenders of Danaher common stock under this exchange offer. Danaher will, upon request, reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

**No broker, dealer, bank, trust company or fiduciary will be deemed to be Danaher's agent or the agent of Newco, the information agent or the exchange offer agent for purposes of this exchange offer.**

## **Legal Limitations**

This prospectus is not an offer to buy, sell or exchange and it is not a solicitation of an offer to buy or sell any Newco common units, shares of Danaher common stock or shares of NetScout common stock in any jurisdiction in which the offer, sale or exchange is not permitted. After the consummation of this exchange offer and prior to the First Merger, it will not be possible to trade the Newco common units.

## **Certain Matters Relating to Non-U.S. Jurisdictions**

Countries outside the United States generally have their own legal requirements that govern securities offerings made to persons resident in those countries and often impose stringent requirements about the form and content of offers made to the general public. None of Danaher, NetScout or Newco has taken any action under non-U.S. regulations to facilitate a public offer to exchange the shares of Danaher common stock, NetScout common stock or Newco common units outside the United States. Accordingly, the ability of any non-U.S. person to tender shares of Danaher common stock in the exchange offer will depend on whether there is an exemption available under the laws of such person's home country that would permit the person to participate in the exchange offer without the need for Danaher, NetScout or Newco to take any action to facilitate a public offering in that country or otherwise. For example, some

countries exempt transactions from the rules governing public offerings if they involve persons who meet certain eligibility requirements relating to their status as sophisticated or professional investors.



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Non-U.S. stockholders should consult their advisors in considering whether they may participate in the exchange offer in accordance with the laws of their home countries and, if they do participate, whether there are any restrictions or limitations on transactions in the shares of Danaher common stock, NetScout common stock or Newco common units that may apply in their home countries. None of Danaher, NetScout or Newco can provide any assurance about whether such limitations may exist.

**Distribution of Newco Common Units Remaining After This Exchange Offer**

All Newco common units owned by Danaher that are not exchanged in this exchange offer will be distributed as a pro rata distribution to holders of Danaher common stock as of the record date. The record date for the spin-off will be formally announced by press release by Danaher. Any Danaher stockholder who validly tenders (and does not properly withdraw) shares of Danaher common stock for Newco common units in the exchange offer will waive their rights with respect to such shares to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the event the exchange offer is not fully subscribed.

Upon consummation of this exchange offer, Danaher will irrevocably deliver to the exchange offer agent a global certificate representing all of the Newco common units being exchanged in this exchange offer, with irrevocable instructions to hold the Newco common units as agent for the holders of shares of Danaher common stock validly tendered and not properly withdrawn in the exchange offer and, in the case of a pro rata distribution, if any, Danaher stockholders whose shares of Danaher common stock remain outstanding after the consummation of the exchange offer. Shares of NetScout common stock will be delivered following the effectiveness of the First Merger, pursuant to the procedures determined by the exchange offer agent and merger exchange agent. See [This Exchange Offer Terms of this Exchange Offer Exchange of Shares of Danaher Common Stock](#).

If this exchange offer is terminated by Danaher without the exchange of shares, but the conditions for consummation of the Transactions have otherwise been satisfied, Danaher intends to distribute all Newco common units owned by Danaher on a pro rata basis to holders of Danaher common stock, with a record date to be announced by Danaher.

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**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 the 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 the Communications Business, as well as increase business with the current base of Communications Business 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

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troubleshooting capabilities, which targets small to mid-sized enterprises. These capabilities are expected to complement NetScout's traditional strengths in monitoring 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 Networks 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 the Tektronix Communications, Arbor Networks and 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 Networks' 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.

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***Pursue strategic acquisitions.*** Prior to the Transactions, NetScout completed five acquisitions in recent years that helped broaden NetScout'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 NetScout'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 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 nine months ended December 31, 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 nine months ended December 31, 2014, cash provided by operating activities was approximately \$57 million, capital expenditures were approximately \$9 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 \$48 million. Net cash used in investing activities was approximately \$26 million, net cash used in financing activities was approximately \$27 million primarily because of share repurchases of approximately \$32 million. NetScout's cash, cash equivalents and marketable securities were approximately \$241 million as of December 31, 2014.

For the year ended December 31, 2014, cash provided by the operating activities of the Communications Business was approximately \$93 million, capital expenditures were approximately \$17 million, and free cash flow (as defined above) was approximately \$76 million. Net cash used in investing activities was approximately \$17 million and net cash used in financing activities was approximately \$76 million, including payments to its parent of approximately \$73 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. Due to the ongoing nature of integration planning, 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.

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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 company. 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 prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of 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 quarters ended June 30, 2014, September 30, 2014 and December 31, 2014, each filed with the SEC and incorporated by reference into this prospectus. 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 NetScout'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 NetScout'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 exceeding \$450 million in revenue in fiscal year 2015. 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 78, 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.

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*Robert E. Donahue*, age 66, has been a NetScout director since March 2013. He served on the board of directors of Sycamore Networks, Inc., an intelligent optical networking and multiservice access provider, from July 2007 until October 2014. 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.

*John R. Egan*, age 57, has been a NetScout director since October 2000 and serves as NetScout's Lead Independent Director. 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 of Verint Systems, Inc., a publicly-held provider of systems to the internet security market, where he is currently the Chairman of the Corporate Governance and Nominating Committee and a member of the Compensation Committee. 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 67, 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 technology company, and the Advanced Cyber Security Center.

***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 NetScout'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

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priorities for NetScout'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 exceeding \$450 million in revenue in fiscal year 2015. 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.

*Michael Szabados*, age 63, 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 NetScout's key functional areas as NetScout 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 NetScout's strategy during a period in which the company's market capitalization grew by 300%. During her tenure, NetScout 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 NetScout'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

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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 DANAHER**

Danaher, a Delaware corporation, 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 2014 fiscal year, Danaher had net earnings of over \$2.59 billion and approximately 71,000 employees employed globally. Danaher's principal executive offices are located at 2200 Pennsylvania Ave., NW Suite 800W, Washington, DC 20037 and its telephone number is (202) 828-0850. Danaher's internet address is <http://www.danaher.com>. The information on Danaher's website is not incorporated by reference into or part of this prospectus.

Danaher's business consists of five segments: Test & Measurement, Environmental, Life Sciences & Diagnostics, Dental and Industrial Technologies.

The Test & Measurement segment is a provider of electronic measurement instruments, professional test tools, thermal imaging and calibration equipment used in electrical, industrial, electronic and calibration applications. The test, measurement and monitoring products are used in electronic design, manufacturing and advanced technology development, network monitoring, management and optimization tools and security solutions for communications and enterprise networks. As discussed in more detail in this prospectus, in October 2014, Danaher entered into an agreement to separate its Communications Business and merge it with a subsidiary of NetScout Systems, Inc.

In the Environmental segment, Danaher's water quality business is a global leader in water quality analysis and treatment, providing instrumentation and disinfection systems to help analyze and manage the quality of ultra pure water, potable water, wastewater, groundwater and ocean water in residential, commercial, industrial and natural resource applications. Danaher's retail/commercial petroleum business is a leading worldwide provider of solutions and services focused on fuel dispensing, remote fuel management, point-of-sale systems, payment systems, environmental compliance, vehicle tracking and fleet management.

In the Life Sciences & Diagnostics segment, Danaher's diagnostics business offers a range of analytical instruments, reagents, consumables, software and services that hospitals, physician's offices, reference laboratories and other critical care settings use to diagnose disease and make treatment decisions. Danaher's life sciences business offers a range of research and clinical tools that scientists use to study cells and cell components to understand the causes of disease, identify new therapies and test new drugs and vaccines.

Danaher's Dental segment provides a range of dental consumables, equipment and services that are used to diagnose, treat and prevent disease and ailments of the teeth, gums and supporting bone, and to improve the aesthetics of the human smile.

Danaher's Industrial Technologies segment is a provider of equipment, consumables and software for various printing, marking, coding, design and color management applications on consumer and industrial products.

The segment is also a global provider of electromechanical motion control solutions for the industrial automation and packaging markets.

For a more detailed description of Danaher's business, see Danaher's Annual Report on Form 10-K for the year ended December 31, 2014, which has been filed with the SEC and is incorporated by reference into this prospectus. See

Where You Can Find More Information; Incorporation By Reference.



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**INFORMATION ON THE COMMUNICATIONS BUSINESS**

**The Company**

The Communications Business (also referred to as we, us or our solely for purposes of this section) 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. We derive revenue principally by developing, manufacturing, and selling a broad range of hardware, software and support services. We maintain operations and conduct business in all major geographies, including North America, Europe, Asia Pacific and Latin America.

Our headquarters is located at 3033 W. President George Bush Highway in Plano, Texas and our telephone number is (469) 330-4000.

**Markets, Customers and Products**

We design, manufacture, market, license, sell and support innovative hardware and software solutions that help our 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. Our solutions collect and analyze massive volumes of voice, video and data traffic that traverse communication networks. The data we collect 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. Our solutions allow our customers to analyze the large amount of packets and flows on their communication networks. From these packets and flows our analytics solutions derive contextual and correlated insights about what is occurring at different physical points and times in a network. These insights help our 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 ).

Our 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;

portable enterprise network analysis and optimization tools;

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network packet brokering tools;

enterprise network performance management systems; and

geolocation systems for mobile telecommunications networks.

Our 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 our solutions to reduce operating expenses and improve the performance and availability of their communication networks. Our 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 18% and 12%, respectively of total sales in 2014, 25% and 11%, respectively, of total sales in 2013, and 23% and 10%, respectively, of total sales in 2012. No other customer accounted for more than 10% of consolidated sales in 2014, 2013 or 2012.

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

## **Strategy**

We believe there are several key trends driving growth in our 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.

We believe communications service providers, enterprises and government agency network operators worldwide will continue to invest in solutions like ours to address the increasing complexities associated with these trends.

Our strategy is to focus on facilitating the deployment, management and security of our customers' communication network technologies and services. As our customers migrate to new technologies and services we seek to adapt and enhance our solutions accordingly with the objective of offering a broad, complementary and best-in-class portfolio that addresses our customers' needs. The initiatives we are pursuing to accomplish this strategy include:

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

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

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

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

leveraging our broad footprint in monitoring internet traffic to help our security solutions deployed in customer networks around the world better identify cyber security threats and fortify network defenses. To accomplish this strategy, we are investing in internal product development, pursuing strategic acquisitions as appropriate to gain access to technology, products, or markets and leveraging our strong industry brands, customer relationships and global distribution channels.

## **Manufacturing and Materials**

Our primary manufacturing activities occur at facilities located in North America. We perform 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 we serve.

Our manufacturing operations employ a variety of raw materials that we purchase 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. We utilize a number of techniques to address potential disruption in and other risks relating to our supply chain, including in certain cases the use of safety stock, alternative materials and qualification of multiple supply sources. During 2014, we had no raw material shortages that had a material effect on our business.

## **Sales, Distribution and Backlog**

We maintain a direct sales and field maintenance organization, staffed with technically trained personnel throughout the world. Sales to end-customers are made through our direct sales organization and to a lesser extent through independent distributors and resellers located in principal market areas. Our distribution strategy is to align the sales channel with our 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.

Our unfilled product and service orders were \$359,942,000 as of December 31, 2014 and \$357,334,000 as of December 31, 2013. A large majority of the unfilled orders are expected to be delivered to customers within one year.

## **Research and Development**

We conduct research and development activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use and reliability of our existing products and expanding the applications for which uses of our products are appropriate. Our 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. We anticipate that we will continue to make significant expenditures for research and development as we seek to provide a continuing flow of innovative products to maintain and improve our competitive position. Expenditures for research and development during fiscal years 2014, 2013 and 2012 were \$159,554,000, \$147,553,000 and \$130,872,000, respectively. Customer-sponsored research and development was not significant in 2014, 2013 or 2012.

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### **Seasonality**

General economic conditions impact our business and financial results, but we are not subject to material seasonality.

### **Competition**

Our 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. We encounter a variety of competitors, including well-established regional competitors, competitors who are more specialized than we are in particular markets, as well as larger companies or divisions of larger companies with substantial sales, marketing, research, and financial capabilities. We are facing increased competition in a number of our 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. Our management believes that we have a market leadership position in many of the markets we serve. Key competitive factors vary among our 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**

We own numerous patents along with trademarks, copyrights, trade secrets and licenses to intellectual property owned by others. Although in aggregate our intellectual property is important to our operations, we do not consider any single patent, trademark, copyright, trade secret or license to be of material importance to our business. From time to time we engage in litigation to protect our intellectual property rights.

### **Working Capital**

We maintain an adequate level of working capital to support our business needs. There are no unusual industry practices or requirements relating to working capital items. In addition, our sales and payment terms are generally similar to those of our competitors.

### **Employee Relations**

As of December 31, 2014, we employed approximately 2,160 persons, of whom approximately 1,370 were employed in the United States and approximately 790 were employed outside of the United States. In the United States we do not have any hourly-rated, unionized employees. Outside the United States, we have government-mandated collective bargaining arrangements and union contracts in certain countries.

### **Regulatory Matters**

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

#### *Environmental, Health and Safety Laws and Regulations*

Our 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. We must also comply with various health and safety regulations in both the United States and abroad in connection with our 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 our capital expenditures, earnings or competitive position, and we do not anticipate material capital expenditures for environmental control facilities.



**Table of Contents***Export/Import Compliance*

We are 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 our operations or transactions subject to their jurisdictions.

**International Operations**

Our products, software and services are available worldwide, and our principal markets outside the United States are in Europe, Asia and Latin America. We believe that our future growth depends in part on our 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 44% in 2014, 41% in 2013 and 42% in 2012. Long-lived assets located outside the United States as a percentage of total long-lived assets as of December 31, 2014, 2013 and 2012 were 7%, 8% and 8%, respectively.

The manner in which our products and services are sold outside the United States differs by product and by region. Most of our sales in non-U.S. markets are made directly from the U.S., but we also sell products through various representatives and distributors. In countries with low sales volumes, we often sell through representatives and distributors as well as other partners such as third party system integrators. Financial information about our international operations is contained in Note 15 of the Communications Business Combined Financial Statements for the year ended December 31, 2014.

**Properties**

Our headquarters is located in Plano, Texas. The following is a summary of our significant operating locations.

<b>Location</b>	<b>Own/Lease</b>	<b>Functional Use</b>
Plano, Texas	Own <sup>1</sup>	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

<sup>1</sup> 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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**Legal Proceedings**

We are, from time to time, subject to a variety of litigation and other legal and regulatory proceedings incidental to its business. Based upon our experience, current information and applicable law, we do not believe it is reasonably possible that these proceedings and claims will have a material effect on our financial statements.

**Table of Contents****HISTORICAL MARKET PRICE DATA AND DIVIDEND INFORMATION****Comparative Historical and Pro Forma Per Share Data**

The following table sets forth certain historical and pro forma per share data for NetScout. The NetScout 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 December 31, 2014, each of which are incorporated by reference into this prospectus. 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 prospectus. See "Where You Can Find More Information; Incorporation by Reference."

This 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 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 Nine Months Ended December 31, 2014		As of and for the Year Ended March 31, 2014	
	Historical	Pro Forma	Historical	Pro Forma
Basic earnings per share	\$ 0.98	\$ 0.05	\$ 1.19	\$ 0.56
Diluted earnings per share	\$ 0.97	\$ 0.05	\$ 1.17	\$ 0.56
Weighted average common shares outstanding Basic	41,128	103,628	41,366	103,866
Weighted average common shares outstanding Diluted	41,679	104,211	41,955	104,497
Book value per share of common stock	\$ 10.48	\$ 30.03	\$ 9.94	Not available

**Historical Common Stock Market Price and Dividend 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 Danaher common stock currently trade on the NYSE under the symbol DHR. On October 10, 2014, the last trading day before the announcement of the Transactions, the last sale price of Danaher's common stock reported by the NYSE was \$71.86. On May 12, 2015, the last sale price of Danaher common stock reported by the NYSE was \$86.00.

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 May 12, 2015, the last sale price of NetScout common stock reported by NASDAQ was \$41.13.



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The following table sets forth, for the periods indicated, the high and low sales prices per share of Danaher common stock, as reported on the NYSE, and NetScout common stock, as reported on NASDAQ. In addition, the table also sets forth the quarterly cash dividends per share declared by Danaher with respect to Danaher common stock.

	Danaher	Danaher		NetScout Common Stock	
	Per Share Dividends	Common Stock High	Common Stock Low	High	Low
<b>Calendar Year Ending December 31, 2015<sup>1</sup></b>					
First Calendar Quarter	\$ 0.135	\$ 88.10	\$ 81.25	\$ 44.76	\$ 33.53
Second Calendar Quarter (through May 12, 2015)	\$	\$ 86.35	\$ 81.59	\$ 45.53	\$ 39.32
<b>Calendar Year Ending December 31, 2014</b>					
First Calendar Quarter	\$ 0.10	\$ 78.80	\$ 71.89	\$ 39.10	\$ 28.64
Second Calendar Quarter	\$ 0.10	\$ 81.14	\$ 71.75	\$ 44.54	\$ 33.30
Third Calendar Quarter	\$ 0.10	\$ 80.00	\$ 73.02	\$ 48.13	\$ 41.15
Fourth Calendar Quarter	\$ 0.10	\$ 87.49	\$ 70.12	\$ 46.17	\$ 31.59
<b>Calendar Year Ended December 31, 2013</b>					
First Calendar Quarter	\$ <sup>2</sup>	\$ 62.90	\$ 56.17	\$ 28.28	\$ 23.74
Second Calendar Quarter	\$ 0.025	\$ 64.80	\$ 57.61	\$ 24.92	\$ 21.22
Third Calendar Quarter	\$ 0.025	\$ 70.94	\$ 63.16	\$ 27.55	\$ 23.22
Fourth Calendar Quarter	\$ 0.025	\$ 77.39	\$ 66.83	\$ 30.76	\$ 24.04

<sup>1</sup> In order to present the market price and dividend information for Danaher and NetScout on a comparable basis, the information included in the above table is presented for the calendar years and calendar quarters shown rather than the fiscal years and fiscal quarters of Danaher and NetScout.

<sup>2</sup> Danaher did not make cash payments for dividends during the first quarter of 2013 because Danaher's board of directors had determined to accelerate the quarterly dividend payment that normally would have been paid in January 2013 and paid it in December 2012.

**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.

**Danaher Dividend Policy**

Declarations of dividends on Danaher's common stock are made at the discretion of Danaher's board of directors. Among other things, Danaher's board of directors evaluates business conditions and earnings. In February 2015, Danaher's board of directors declared a dividend of \$0.135, an increase from the \$0.10 dividend which was declared each quarter during 2014. Aggregate cash payments for dividends during 2014, 2013, and 2012 were \$227.7 million,

\$52.1 million, and \$86.4 million, respectively.

Table of Contents**SELECTED FINANCIAL STATEMENT DATA****Selected 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 2012 through 2014, has been derived from audited annual financial statements, including the combined balance sheets at December 31, 2014 and December 31, 2013 and the related combined statements of earnings for each of the three years in the period ended December 31, 2014 and notes thereto appearing elsewhere herein. The data as of December 31, 2012 and for the year ended December 31, 2011 has been derived from audited combined financial statements not included or incorporated by reference in this document. The data as of December 31, 2011 and 2010 and for the year ended December 31, 2010 has been derived from unaudited combined financial information not included or incorporated by reference into this document. 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).

	<b>As of and for the Year Ended December 31</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Sales</b>					
Product	\$ 535,281	\$ 623,632	\$ 594,770	\$ 483,782	\$ 367,141
Service	224,942	211,259	190,968	185,497	121,204
<b>Total sales</b>	<b>\$ 760,223</b>	<b>\$ 834,891</b>	<b>\$ 785,738</b>	<b>\$ 669,279</b>	<b>\$ 488,345</b>
Earnings before income taxes	62,335	116,598	157,881	106,722	43,707
Net earnings	42,552	83,806	103,798	74,371	28,028
Total assets	\$ 1,238,829	\$ 1,235,903	\$ 1,185,543	\$ 998,760	\$ 1,047,998



**Table of Contents****Selected Historical Consolidated Financial Data of Danaher**

The following selected historical consolidated financial data of Danaher as of and for each of the years in the five-year period ended December 31, 2014 has been derived from the audited consolidated financial statements of Danaher. This information is only a summary and should be read in conjunction with the financial statements of Danaher and the notes thereto and the Management's Discussion and Analysis of Financial Condition and Results of Operations section contained in Danaher's Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this prospectus. See Where You Can Find More Information; Incorporation By Reference.

	<b>As of and for the Year Ended December 31</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>(In millions, except per share data and ratio data)</b>				
<b>Statement of Earnings Data</b>					
Sales	\$ 19,913.8	\$ 19,118.0	\$ 18,260.4	\$ 16,090.5	\$ 12,550.0
Operating profit (1)	3,431.3	3,274.9	3,165.1	2,617.2	2,049.6
Net earnings from continuing operations	2,598.4	2,695.0	2,299.3	1,935.3	1,718.2
Earnings from discontinued operations, net of income taxes			92.9	237.0	74.8
Net earnings	\$ 2,598.4	\$ 2,695.0	\$ 2,392.2	\$ 2,172.3	\$ 1,793.0
Net earnings per share from continuing operations:					
Basic	\$ 3.70	\$ 3.87	\$ 3.32	\$ 2.86	\$ 2.63
Diluted	\$ 3.63	\$ 3.80	\$ 3.23	\$ 2.77	\$ 2.53
Net earnings per share from discontinued operations:					
Basic	\$	\$	\$ 0.13	\$ 0.35	\$ 0.11
Diluted	\$	\$	\$ 0.13	\$ 0.34	\$ 0.11
Net earnings per share:					
Basic	\$ 3.70	\$ 3.87	\$ 3.45	\$ 3.21	\$ 2.74
Diluted	\$ 3.63	\$ 3.80	\$ 3.36	\$ 3.11	\$ 2.64
Dividends declared per share	\$ 0.40	\$ 0.10	\$ 0.10	\$ 0.09	\$ 0.08
Total assets	\$ 36,991.7	\$ 34,672.2	\$ 32,941.0	\$ 29,949.5	\$ 22,217.1
Total debt	\$ 3,473.4	\$ 3,499.0	\$ 5,343.1	\$ 5,305.2	\$ 2,824.7
Ratio of Earnings to Fixed Charges (2)	25.6	22.6	17.6	16.0	15.5

(1) This term is distinct from the term Operating Profit as defined in the section of this prospectus entitled Helpful Information because the definition of Operating Profit in such section is specific to the Communications Business.

(2)

These ratios include Danaher Corporation and its consolidated subsidiaries. The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges for the periods indicated, where earnings consist of (1) earnings (excluding earnings from equity investees) before income taxes plus distributed income of equity investees; plus (2) fixed charges, and fixed charges consist of (A) interest, whether expensed or capitalized, on all indebtedness, (B) amortization of premiums, discounts and capitalized expenses related to indebtedness, and (C) an interest component representing the estimated portion of rental expense that management believes is attributable to interest. Interest on unrecognized tax benefits is included in the tax provision in the Company's Consolidated Condensed Statements of Earnings and is excluded from the computation of fixed charges.

**Table of Contents****Selected Historical Consolidated Financial Data of NetScout**

The following selected historical consolidated financial data of NetScout for the years ended March 31, 2014, 2013 and 2012, and as of March 31, 2014 and 2013, has been derived from NetScout's audited consolidated financial statements, which are incorporated by reference into this prospectus. The following selected financial data as of and for the years ended March 31, 2011 and 2010 has been derived from NetScout's audited historical consolidated financial statements, which are not included or incorporated by reference into this prospectus. The following selected historical consolidated financial data as of and for the nine-month periods ended December 31, 2014 and 2013 has been derived from the unaudited consolidated financial statements of NetScout, which are incorporated by reference in this prospectus. The selected historical consolidated financial data presented below is not necessarily indicative of the results or financial condition that may be expected for any future period or date. 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 December 31, 2014, each of which is incorporated by reference into this prospectus. See [Where You Can Find More Information; Incorporation by Reference](#).

	<b>As of and for the Nine Months Ended December 31,</b>		<b>As of and for the Year Ended March 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>(In thousands, except for share data)</b>							
<b>Results of Operations:</b>							
<b>Revenue:</b>							
Product	\$ 198,765	\$ 163,895	\$ 234,268	\$ 198,749	\$ 168,141	\$ 159,948	\$ 142,113
Service	135,519	120,435	162,379	151,801	140,538	130,592	118,229
<b>Total revenue</b>	<b>334,284</b>	<b>284,330</b>	<b>396,647</b>	<b>350,550</b>	<b>308,679</b>	<b>290,540</b>	<b>260,342</b>
<b>Cost of revenue:</b>							
Product	45,015	36,117	51,219	45,752	39,271	38,175	35,564
Service	26,158	24,111	33,294	28,256	26,401	23,186	20,500
<b>Total cost of revenue</b>	<b>71,173</b>	<b>60,228</b>	<b>84,513</b>	<b>74,008</b>	<b>65,672</b>	<b>61,361</b>	<b>56,064</b>
<b>Gross profit</b>	<b>263,111</b>	<b>224,102</b>	<b>312,134</b>	<b>276,542</b>	<b>243,007</b>	<b>229,179</b>	<b>204,278</b>
<b>Operating expenses:</b>							
Research and development	56,872	50,951	70,454	61,546	49,478	40,628	36,650
Sales and marketing	104,304	96,184	129,611	116,807	109,624	105,271	99,059
General and administrative	33,211	22,367	30,623	29,718	27,488	23,308	20,609
Amortization of acquired intangible assets	2,539	2,571	3,432	2,877	2,131	1,907	2,057
Restructuring charges				1,065	603		
<b>Total operating expenses</b>	<b>196,926</b>	<b>172,073</b>	<b>234,120</b>	<b>212,013</b>	<b>189,324</b>	<b>171,114</b>	<b>158,375</b>

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Income from operations	66,185	52,029	78,014	64,529	53,683	58,065	45,903
Interest and other expense, net	(1,186)	(88)	(158)	(793)	(2,765)	(1,772)	(2,832)
Income before income tax expense	64,999	51,941	77,856	63,736	50,918	56,293	43,071
Income tax expense	24,661	19,511	28,750	23,127	18,490	19,028	15,154
Net income	\$ 40,338	\$ 32,430	\$ 49,106	\$ 40,609	\$ 32,428	\$ 37,265	\$ 27,917
Basic net income per share	\$ 0.98	\$ 0.78	\$ 1.19	\$ 0.97	\$ 0.77	\$ 0.89	\$ 0.69
Diluted net income per share	\$ 0.97	\$ 0.77	\$ 1.17	\$ 0.96	\$ 0.76	\$ 0.87	\$ 0.67

Financial highlights:

Cash, cash equivalents and short and long-term marketable securities	\$ 240,726	\$ 182,213	\$ 218,794	\$ 154,091	\$ 213,516	\$ 228,478	\$ 170,551
Total assets	\$ 638,928	\$ 577,877	\$ 607,763	\$ 552,176	\$ 567,757	\$ 527,570	\$ 482,601
Debt	\$	\$	\$	\$	\$ 62,000	\$ 68,106	\$ 79,356
Total stockholder s equity	\$ 432,118	\$ 395,598	\$ 409,161	\$ 371,903	\$ 342,369	\$ 319,559	\$ 266,843

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	As of and for the Nine Months Ended December 31,			As of and for the Year Ended March 31,			
	2014	2013	2014	2013	2012	2011	2010
(In thousands, except for share data)							
Cash flow data:							
Cash from operating activities	\$ 57,322	\$ 60,767	\$ 110,946	\$ 95,412	\$ 68,307	\$ 67,189	\$ 45,654
Purchases of fixed assets	\$ (8,630)	\$ (8,709)	\$ (13,066)	\$ (11,671)	\$ (11,088)	\$ (7,491)	\$ (5,242)
Purchases of intangible assets	\$ (131)	\$ (713)	\$ (1,086)	\$ (277)	\$ (200)		
Non-GAAP free cash flow(1)	\$ 48,561	\$ 51,345	\$ 96,794	\$ 83,464	\$ 57,019	\$ 59,698	\$ 40,412
Other Selected Data:							
Weighted average common shares outstanding-basic	41,128	41,417	41,366	41,665	42,035	42,059	40,691
Weighted average common shares outstanding-diluted	41,679	41,969	41,955	42,322	42,750	42,973	41,915
Non-GAAP revenue(1)	\$ 334,302	\$ 284,749	\$ 397,205	\$ 351,765	\$ 308,991	\$ 289,743	\$ 261,659
Non-GAAP net income(1)	\$ 56,445	\$ 43,992	\$ 64,218	\$ 56,014	\$ 46,970	\$ 44,881	\$ 35,859
Non-GAAP net income per share(1)	\$ 1.35	\$ 1.05	\$ 1.53	\$ 1.32	\$ 1.10	\$ 1.04	\$ 0.86

(1) NetScout supplements the GAAP financial measures NetScout reports in quarterly and annual earnings announcements, investor presentations and other investor communications by reporting the following non-GAAP measures: non-GAAP revenue, non-GAAP net income, non-GAAP free cash flow and non-GAAP net income per diluted share. Non-GAAP revenue eliminates the GAAP effects of acquisitions by adding back revenue related to deferred revenue revaluation, and, for the fiscal year ended March 31, 2011, eliminates the revenue impact of recently adopted accounting guidance. Non-GAAP net income includes the foregoing adjustment and also removes expenses related to the amortization of acquired intangible assets, share-based compensation, restructuring, certain expenses relating to acquisitions including compensation for post-combination services, business development charges and loss on early extinguishment of debt, net of related income tax effects. Non-GAAP diluted net income per share also excludes these expenses as well as the related impact of all these adjustments on the provision for income taxes. Non-GAAP free cash flow is operating cash flow less cash outflows for PP&E and intangibles. These non-GAAP measures are not in accordance with GAAP, should not be considered an alternative for measures prepared in accordance with GAAP (revenue, net income and diluted net income per share), and may have limitations in that they do not reflect all our results of operations as determined in accordance with GAAP. These non-GAAP measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures. The presentation of non-GAAP information is not meant to be considered superior to, in isolation from, or as a substitute for results prepared in accordance with GAAP.

NetScout's management believes these non-GAAP financial measures enhance the reader's overall understanding of NetScout's current financial performance and its prospects for the future by providing a higher degree of transparency for certain financial measures and providing a level of disclosure that helps investors understand how NetScout plans and measures its business. NetScout believes that providing these non-GAAP measures affords investors a view of NetScout's operating results that may be more easily compared to its peer companies and also enables investors to consider NetScout's operating results on both a GAAP and non-GAAP basis during and following the integration period of NetScout's acquisitions. Presenting the GAAP measures on their own may not be indicative of our core operating results. Furthermore, NetScout's management believes that the presentation of non-GAAP measures when

shown in conjunction with the corresponding GAAP measures provide useful information to management and investors regarding present and future business trends relating to NetScout's financial condition and results of operations.

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The following table reconciles revenue, net income and net income per share on a GAAP and non-GAAP basis (in thousands, except for per share amounts):

	Nine Months Ended		Year ended March 31,				
	December 31,		2014	2013	2012	2011	2010
	2014	2013	2014	2013	2012	2011	2010
GAAP revenue	\$ 334,284	\$ 284,330	\$ 396,647	\$ 350,550	\$ 308,679	\$ 290,540	\$ 260,342
Revenue adjustments	18	419	558	1,215	312	(797)	1,317
Non-GAAP revenue	\$ 334,302	\$ 284,749	\$ 397,205	\$ 351,765	\$ 308,991	\$ 289,743	\$ 261,659
GAAP net income	\$ 40,338	\$ 32,430	\$ 49,106	\$ 40,609	\$ 32,428	\$ 37,265	\$ 27,917
Revenue adjustments	18	419	558	1,215	312	(797)	1,317
Inventory fair value amortization				453			
Share based compensation expense	11,947	9,959	12,930	9,580	8,702	6,439	5,456
Amortization of acquired intangible assets	5,301	5,051	6,765	7,424	6,782	5,887	6,037
Business development and integration expense	6,175	482	523	1,618	4,715	755	
Compensation for post combination services	1,393	1,685	2,215	2,721	438		
Restructuring charges				1,065	603		
Loss on extinguishment of debt					690		
Income tax adjustments	(8,727)	(6,034)	(7,879)	(8,671)	(7,700)	(4,668)	(4,868)
Non-GAAP net income	\$ 56,445	\$ 43,992	\$ 64,218	\$ 56,014	\$ 46,970	\$ 44,881	\$ 35,859
GAAP diluted net income per share	\$ 0.97	\$ 0.77	\$ 1.17	\$ 0.96	\$ 0.76	\$ 0.87	\$ 0.67
Per share impact of non-GAAP adjustments identified above	0.38	0.28	0.36	0.36	0.34	0.17	0.19
Non-GAAP diluted net income per share	\$ 1.35	\$ 1.05	\$ 1.53	\$ 1.32	\$ 1.10	\$ 1.04	\$ 0.86

**Unaudited Combined Pro Forma Information of NetScout and the Communications Business**

The following unaudited pro forma combined financial information was prepared using the historical consolidated financial statements of NetScout and the historical combined financial statements of the Communications Business. The unaudited pro forma combined financial information, including the notes thereto, should be read in conjunction with the following historical financial statements and accompanying notes for the applicable periods, which are incorporated by reference or included in this prospectus:

NetScout's audited consolidated financial statements for the fiscal year ended March 31, 2014 (fiscal year 2014) included in NetScout's Annual Report on Form 10-K which was filed with the SEC on May 20, 2014 (incorporated by reference);

NetScout's unaudited consolidated financial statements for the nine-month period ended December 31, 2014 included in NetScout's Quarterly Report on Form 10-Q which was filed with the SEC on January 27, 2015 (incorporated by reference); and

The Communications Business' audited combined financial statements for the year ended December 31, 2014 included in this prospectus.

The accompanying unaudited pro forma combined financial statements give pro forma effect to the acquisition of all of the outstanding common units of the Communications Business by NetScout assuming an equity consideration of \$2,690.6 million, paid in NetScout Systems, Inc. common stock based on the closing price of NetScout common stock as of May 1, 2015 (the Communications Business Acquisition).

NetScout's fiscal year 2014 ended on March 31, 2014. The Communications Business' corresponding fiscal year ended on December 31, 2013. The unaudited interim pro forma combined balance sheet assumes that the



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Communications Business Acquisition took place on December 31, 2014 and combines NetScout's historical consolidated balance sheet as of December 31, 2014 with the Communications Business' historical combined balance sheet as of December 31, 2014 and applies pro forma adjustments to the resulting amounts.

The unaudited pro forma combined statements of operations for the fiscal year ended March 31, 2014, and the nine-month period ended December 31, 2014 assume that the Communications Business Acquisition took place on the first day of fiscal year 2014 (April 1, 2013). The unaudited pro forma combined statement of operations for the year ended March 31, 2014 combines NetScout's historical consolidated statement of operations for the fiscal year 2014 with the Communications Business' historical combined statement of operations for the fiscal year ended December 31, 2013 and applies pro forma adjustments to the resulting amounts. The unaudited pro forma combined statement of operations for the nine months ended December 31, 2014 combines NetScout's historical consolidated statement of operations for the nine months ended December 31, 2014 with the Communications Business' historical unaudited combined statement of operations for the nine-month fiscal period ended December 31, 2014 and applies pro forma adjustments to the resulting amounts.

The unaudited pro forma combined financial information has been prepared by NetScout's management and is based on the estimates and assumptions set forth in the notes to such information. The unaudited pro forma combined financial information is being presented for illustrative purposes only and, therefore, is not necessarily indicative of the consolidated results of operations or financial position that might have been achieved by the combined company for the dates or periods indicated, nor is it necessarily indicative of the results of operations or financial position of the combined company that may occur in the future.

The unaudited pro forma combined financial information has been prepared using the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States. The unaudited pro forma adjustments related to the Communications Business Acquisition are preliminary and do not reflect the final purchase price or final allocation of the excess of the purchase price over the net book value of the net assets of the Communications Business. The final purchase price and allocation of the purchase price will be based on the fair value of assets and liabilities that exist at the closing date of the Communications Business Acquisition. Accordingly, the pro forma purchase price adjustments are preliminary and are subject to further adjustments as additional information becomes available and additional analysis is performed. Upon closing of the acquisition, final valuations will be performed. The completion of the valuation, accounting for the Communications Business Acquisition and the allocation of the purchase price may be different than that of the amounts reflected in the pro forma purchase price allocation, and any differences could be material. Such differences could affect the purchase price and allocation of the purchase price, which may affect the value assigned to the tangible or intangible assets and amount of depreciation and amortization expense recorded in the combined statements of operations. There can be no assurance that NetScout will not alter the financing structure of the Communications Business Acquisition described herein.

The unaudited pro forma combined financial information contains only adjustments that are factually supportable, directly attributable to the Transactions and with respect to the pro forma combined statements of operations, expected to have a continuing impact on the combined business. The unaudited pro forma combined financial information does not reflect any cost savings or synergies that NetScout may realize after the completion of the Communications Business Acquisition.

**Table of Contents****NETSCOUT SYSTEMS, INC.****UNAUDITED PRO FORMA COMBINED BALANCE SHEET****(Dollar information in thousands)**

	<b>NetScout Systems, Inc. As of December 31, 2014</b>	<b>Communications Business As of December 31, 2014</b>	<b>Transaction Adjustments</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma As of December 31, 2014</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 106,704	\$	\$ 7,412(B)	\$	\$ 114,116
Marketable Securities	87,967				87,967
Accounts receivable, net	83,415	188,058	16,284(D)		287,757
Inventories	10,274	54,530		30,969(F)	95,773
Prepaid income taxes	2,864			2,926(L)	5,790
Deferred income taxes	14,174		25,814(A)	(11,707)(K)	28,281
Prepaid expenses and other current assets	9,846	33,492	(25,814)(A)	22,188(H)	39,712
Total current assets	315,244	276,080	23,696	44,376	659,396
<b>NONCURRENT ASSETS:</b>					
Fixed assets, net	23,016	46,323	(15,569)(C)	1,289(G)	55,059
Goodwill	200,271	704,890		1,188,161(H)	2,093,322
Intangible assets, net	52,469	204,291		893,209(I)	1,149,969
Deferred income taxes			5,725(A)	(4,200)(K)	1,525
Long-term marketable securities	46,055				46,055
Other assets	1,873	7,245	1,438(A)(E)		10,556
Total assets	\$ 638,928	\$ 1,238,829	\$ 15,290	\$ 2,122,835	\$ 4,015,882
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$ 10,927	\$ 48,759	\$	\$	\$ 59,686
Accrued compensation	39,369		28,275(A)		67,644
Accrued other	11,026	91,591	(28,275)(A)	11,000(L)	85,342
Deferred revenue	107,595	194,104		(84,874)(J)	216,825

Total current liabilities	168,917	334,454		(73,874)	429,497
<b>NONCURRENT LIABILITIES:</b>					
Other long-term liabilities	2,147	78,933	(65,938)(A)		15,142
Deferred tax liability - noncurrent	2,679		58,526(A)	332,234(K)	393,439
Accrued long-term retirement benefits	1,586		7,412(A)		8,998
Long-term deferred revenue	27,036	35,026		(12,370)(J)	49,692
Contingent liabilities, net of current portion	4,445				4,445
<b>Total liabilities</b>	<b>206,810</b>	<b>448,413</b>		<b>245,990</b>	<b>901,213</b>
<b>COMMITMENTS AND CONTINGENCIES</b>					
<b>STOCKHOLDERS EQUITY:</b>					
Parent's investment		810,518	15,290(B)(C)(D)(E)	(825,808)(L)	
Common stock	51			62(L)(H)	113
Additional paid-in capital	292,059			2,690,563(L)(H)	2,982,622
Treasury stock	(149,345)				(149,345)
Retained earnings	290,905			(8,074)(L)	282,831
Accumulated other comprehensive income (loss)	(1,552)	(20,102)		20,102(L)	(1,552)
<b>Total stockholders equity</b>	<b>432,118</b>	<b>790,416</b>	<b>15,290</b>	<b>1,876,845</b>	<b>3,114,669</b>
<b>Total liabilities and stockholders equity</b>	<b>\$ 638,928</b>	<b>\$ 1,238,829</b>	<b>\$ 15,290</b>	<b>\$ 2,122,835</b>	<b>\$ 4,015,882</b>

See accompanying notes to unaudited pro forma combined financial information, including Note 2 for an explanation of the preliminary pro forma adjustments.

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## NETSCOUT SYSTEMS, INC.

## UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

(Dollar and share information in thousands except per share data)

	NetScout Systems, Inc. Fiscal Year ended March 31, 2014	Communications Business Fiscal Year ended December 31, 2013	Pro Forma Adjustments	Pro Forma Fiscal Year ended March 31, 2014
Revenue:				
Product	\$ 234,268	\$ 623,632	\$ (15,731)(P)	\$ 842,169
Service	162,379	211,259	(37,707)(M)	335,931
Total revenue	396,647	834,891	(53,438)	1,178,100
Cost of revenue				
Product	51,219	195,077	36,381(O)(P)(S)	282,677
Service	33,294	48,043	469(S)	81,806
Total cost of revenue	84,513	243,120	36,850	364,483
Gross profit	312,134	591,771	(90,288)	813,617
Operating expenses:				
Research and development	70,454	147,553	2,142(S)	220,149
Sales and marketing	129,611	276,896	(98,474)(A)(S)	308,033
General and administrative	30,623		102,490(A)(S)	133,113
Amortization of acquired intangible assets	3,432	19,661	23,747(P)	46,840
Impairment of intangible assets		31,063		31,063
Total operating expenses	234,120	475,173	29,905	739,198
Income from operations	78,014	116,598	(120,193)	74,419
Interest and other expense, net:				
Interest income	309			309
Interest expense	(768)			(768)
Other income/(expense), net	301			301
Total other income (expense)	(158)			(158)
Income (loss) before income tax expense	77,856	116,598	(120,193)	74,261
Income tax expense	28,750	32,792	(45,673)(Q)	15,869

Net income (loss)	\$	49,106	\$	83,806	\$	(74,520)	\$	58,392
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## Per share information:

## Earnings per share:

Basic	\$	1.19	\$	0.56
Diluted	\$	1.17	\$	0.56

Weighted average shares  
outstanding:

Basic	41,366	62,500(R)	103,866
Diluted	41,955	62,542(R)	104,497

See accompanying notes to unaudited pro forma combined financial information, including Note 2 for an explanation of the preliminary pro forma adjustments.

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## NETSCOUT SYSTEMS, INC.

## UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

(Dollar and share information in thousands except per share data)

	NetScout Systems, Inc. Nine months ended December 31, 2014	Communications Business Nine months ended December 31, 2014	Pro Forma Adjustments	Pro Forma Nine months ended December 31, 2014
Revenue:				
Product	\$ 198,765	\$ 366,361	\$ (4,439)(P)	\$ 560,687
Service	135,519	170,349	(10,822)(M)	295,046
Total revenue	334,284	536,710	(15,261)	855,733
Cost of revenue				
Product	45,015	130,431	24,095(O)(P)(S)	199,541
Service	26,158	38,886	200(S)	65,244
Total cost of revenue	71,173	169,317	24,295	264,785
Gross profit	263,111	367,393	(39,556)	590,948
Operating expenses:				
Research and development	56,872	118,285	915(S)	176,072
Sales and marketing	104,304	218,205	(61,049)(A)(S)	261,460
General and administrative	33,211		56,589(A)(N)(S)	89,800
Amortization of acquired intangible assets	2,539	12,042	40,677(P)	55,258
Total operating expenses	196,926	348,532	37,132	582,590
Income (loss) from operations	66,185	18,861	(76,688)	8,358
Interest and other expense, net:				
Interest income	298			298
Interest expense				(580)
Other income/(expense), net	(904)			(904)
Total other income (expense)	(1,186)			(1,186)
	64,999	18,861	(76,688)	7,172

Income (loss) before income tax  
expense

Income tax expense		24,661		6,118		(29,141)(Q)		1,638
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Net income (loss)	\$	40,338	\$	12,743	\$	(47,547)	\$	5,534
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Per share information:

Earnings (loss) per share:

Basic	\$	0.98					\$	0.05
Diluted	\$	0.97					\$	0.05

Weighted average shares  
outstanding:

Basic		41,128				62,500(R)		103,628
Diluted		41,679				62,532(R)		104,211

See accompanying notes to unaudited pro forma combined financial information, including Note 2 for an explanation of the preliminary pro forma adjustments.

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**NETSCOUT SYSTEMS, INC.**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

**Note 1 Basis of Presentation**

On October 13, 2014, Danaher announced a definitive agreement with NetScout to combine the Communications Business with NetScout. The Transactions will be structured as a distribution of the Communications Business to Danaher stockholders in either 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. 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. Upon completion of the Transactions, depending on the number of shares of NetScout common stock outstanding, it is expected that pre-First Merger holders of Newco common units and Newco Employees will hold approximately 59.5% of the shares of NetScout common stock on a fully-diluted basis following the Transactions. NetScout will be the legal and accounting acquirer. The Transactions are expected to be completed in 2015. NetScout and Danaher anticipate that the transfer of certain assets and liabilities of the Communications Business will be completed after the closing date of the Mergers due to regulatory and other delays in certain jurisdictions outside the United States.

In connection with the Transaction Documents, it is currently expected that Newco common unit holders will receive, in aggregate, 62.5 million shares of NetScout, or a ratio of one NetScout share for each Newco common unit.

The pro forma combined financial information has been prepared for illustrative purposes only and does not purport to be indicative of the actual results that would have been achieved by NetScout if the Communications Business Acquisition had already occurred for the periods presented or that will be achieved in the future.

The accompanying unaudited pro forma combined balance sheet assumes the Communications Business Acquisition took place on December 31, 2014 and combines NetScout's historical consolidated balance sheet as of December 31, 2014 with the Communications Business historical combined balance sheet as of December 31, 2014 and applies pro forma adjustments to the resulting amounts.

The unaudited pro forma combined statements of operations for the fiscal year ended March 31, 2014 and the nine months ended December 31, 2014 assume that the Communications Business Acquisition took place on the first day of the earliest period presented (April 1, 2013). The unaudited pro forma combined statement of operations for the year ended March 31, 2014 combines NetScout's historical consolidated statement of operations for the fiscal year 2014 with the Communications Business historical combined statement of operations for the fiscal year ended December 31, 2013 and applies pro forma adjustments to the resulting amounts. The unaudited pro forma combined statement of operations for the nine months ended December 31, 2014 combines NetScout's historical consolidated statement of operations for the nine months ended December 31, 2014 with the Communications Business historical combined statement of operations for the nine months ended December 31, 2014 and applies pro forma adjustments to the resulting amounts.

The unaudited pro forma combined statement of operations for the year ended March 31, 2014 has been prepared utilizing period ends that differ by less than 93 days, as permitted by Regulation S-X. Omitted from the unaudited pro forma combined statement of operations for the year ended March 31, 2014 are the results of operations of the



Communications Business for the three months ended March 28, 2014 ( Communications Business Fiscal Q1 2014 ).  
The results of operations of the Communications Business for the three months ended March 29, 2013  
( Communications Business Fiscal Q1 2013 ) have been included in lieu of the omitted

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**NETSCOUT SYSTEMS, INC.**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION (Continued)**

period. The Communications Business Fiscal Q1 2014 reflected product revenue, service revenue, gross profit and income from operations of \$168.9 million, \$54.6 million, \$159.8 million, and \$43.5 million, respectively. The Communications Business Fiscal Q1 2013 reflected product revenue, service revenue, gross profit and income from operations of \$171.0 million, \$48.1 million, \$156.4 million, and \$51.6 million, respectively.

Certain reclassifications have been included within the pro forma adjustments to conform the Communications Business historical financial statements to NetScout's financial statement classifications. Upon completion of the Communications Business Acquisition, NetScout will perform a further review of the Communications Business accounting policies. As a result of that review, NetScout may identify additional differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements.

**Note 2 Unaudited Pro Forma Adjustments**

The pro forma adjustments included in the accompanying information do not reflect the final purchase price or final allocation of the excess of the purchase price over the net book value of the net assets of the Communications Business. The fair value assigned to the various tangible and intangible assets acquired, including goodwill, is preliminary and subject to change. Final adjustments may result in a materially different purchase price and allocation of the purchase price, which will affect the value assigned to the tangible or intangible assets and the depreciation and amortization expense recorded in the consolidated statements of operations.

*Unaudited Pro Forma Combined Balance Sheet*

*Transaction Adjustments*

- (A) Represents reclassifications within the balance sheet and statements of operations of the Communications Business to conform them to the classifications of the financial statements of NetScout. The reclassifications relate to breaking out financial statement captions not separately disclosed in the financial statements of the Communications Business.
- (B) Represents the funding by Danaher of certain pension and post-retirement plans that are being assumed by NetScout such that the cash to be received from Danaher is equivalent to the projected benefit obligation as of December 31, 2014.
- (C) Represents the elimination of the carrying value of certain property from the historic balance sheet of the Communications Business, which will be retained by Danaher after the Transactions.

- (D) Represents a receivable related to the pre-closing liabilities of the Communications Business that are to be paid by NetScout and fully reimbursed by Danaher pursuant to the Employee Matters Agreement.
- (E) Represents a contingent receivable of \$7.2 million related to income tax matters for which NetScout has been indemnified by Danaher pursuant to the Tax Matters Agreement. The actual amounts that NetScout may be obligated to pay and ultimately reimbursed by Danaher could vary depending upon the outcome of the unresolved tax matters, which may not be resolved for several years.

*Pro Forma Adjustments*

- (F) Represents the adjustment to record the inventory of the Communications Business at its estimated fair value. The related inventory is expected to be sold within the next three months; therefore the adjustment has not been reflected in the accompanying pro forma combined statements of operations, as it will not have a continuing impact on the combined entity.

**Table of Contents****NETSCOUT SYSTEMS, INC.****NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION (Continued)**

- (G) Represents the adjustment to the net book value of the plant, property and equipment of the Communications Business, in order to record it at its fair value as of the assumed acquisition date.
- (H) Represents the elimination of the historical goodwill of the Communications Business of \$704.9 million and the addition of goodwill of \$1,893.1 million related to the Communications Business Acquisition. A preliminary calculation of the goodwill based on the excess of estimated purchase price over the fair values of the assets acquired and liabilities assumed resulting from the Communications Business Acquisition is shown below (in thousands):

<b>Purchase Price Allocation:</b>	
Total equity consideration	2,690,625(1)
Less: Equity consideration for replacement awards	(22,188)(2)
<b>Estimated purchase price</b>	<b>2,668,437</b>
Estimated fair value of assets acquired and liabilities assumed:	
Cash	7,412
Accounts Receivable	204,342
Inventories	85,500
Prepaid Expenses and Other Assets	16,361
Property, Plant and Equipment	32,043
Trademarks	47,700
Customer Relationships	735,700
Developed Technology	230,800
Other Intangible Assets	83,300
Accounts Payable	(48,759)
Accrued Compensation	(28,275)
Accrued Other	(76,311)
Deferred Revenue	(131,886)
Accrued Retirement Benefits	(7,412)
Deferred tax liabilities, net	(375,129)
<b>Goodwill</b>	<b>1,893,051</b>

- (1) Represents 62.5 million new shares of NetScout common stock expected to be issued to the existing common unit holders of Newco based on the May 1, 2015 NetScout common stock closing share price of \$43.05 per share. The final consideration could significantly differ from the amounts presented in the

unaudited pro forma financial information due to movement in the price of NetScout common stock as of the closing of the First Merger.

- (2) Represents the value of certain outstanding Danaher equity awards held by Newco employees for which continuing employees will receive value after the closing date. A portion of this amount relates to awards that have been modified such that the awards are expected to be vested in Danaher shares after the anticipated closing date of the Mergers. These future compensation amounts will be settled in shares other than shares of the acquired business. The balance of this amount also represents future compensation expense and relates to a cash award to be paid by NetScout to acquired Newco employees on the later of the first anniversary of the transaction closing date or August 4, 2016. The cash payment by NetScout will be reimbursed by Danaher. These items are further described in the Employee Matters Agreement and have been accounted for separately from the Communications Business Acquisition.

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**NETSCOUT SYSTEMS, INC.**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION (Continued)**

The final purchase price will vary based on the trading price of NetScout common stock on the date that the First Merger closes. For purposes of this unaudited pro forma combined financial information, it has been assumed to be the closing share price as of May 1, 2015. For each \$1 change in the price of NetScout common stock, the estimated purchase price will increase or decrease by approximately \$62.5 million. Such an increase or decrease would result in an increase or decrease to goodwill from that shown in the unaudited pro forma combined balance sheet as of December 31, 2014. The final allocation of the purchase price may have a material impact on the pro forma combined balance sheet and therefore final goodwill recorded could be materially different than the amount calculated.

The Communications Business Acquisition will result in the recognition of significant intangible assets which requires management to make assumptions and estimates to determine the fair value of these assets. The following discussion sets forth the methodologies, assumptions and estimates used in the preliminary determination set forth in these pro forma financial statements:

Trademarks have been valued using the relief from royalty method for each significant portfolio of trademarks to be acquired. This method requires management to estimate the future revenues associated with trademarks, estimate a market royalty rate for the use of the trademarks, estimate an effective tax rate, and estimate a discount rate used to calculate the present value of the savings generated by purchasing the trademarks versus paying projected royalty payments to third parties.

Customer relationships have been valued using an excess earnings approach. This method requires management to estimate the future revenues associated with each existing customer base, estimate a customer attrition rate, estimate contributory asset charges, estimate operating expenses associated with obtaining new customers and developing new products, estimate an effective tax rate, and estimate a discount rate used to calculate the present value of the future expected cash inflows from the existing customer base.

Developed technology assets have been valued using the relief from royalty method. This method requires management to estimate the future revenues associated with the technologies to be acquired, estimate technology migration curves for the identified technologies, estimate a market royalty rate for the use of the technologies being acquired, estimate an effective tax rate, and estimate a discount rate used to calculate the present value of the savings generated by purchasing the technology versus paying projected royalty payments to third parties.

Other intangibles primarily relate to projected backlog. Valuing the backlog intangibles required management to estimate the revenues associated with in-process orders and the costs associated with fulfilling those orders.

Future revenues were estimated using both projections provided by the Communications Business and NetScout's own assumptions and projections. Royalty rates were estimated by calculating an average of selected market observable royalty rates for similar trademarks and technologies. Discount rates were estimated by adjusting the implied discount rate from NetScout's deal model for risks associated with individual assets based on the characteristics of each asset. Management estimated the tax rate at 38% which approximates a blended effective rate for the tax jurisdictions where these assets reside. Customer attrition and technology migration curves were calculated using historical information of the Communications Business about changes in the customer base and in technology source code. Finally, costs to fulfill orders were estimated based on existing financial metrics and costs associated with the intangible assets being

acquired. These assumptions are considered reasonable by management and are Level Three fair value measures under U.S. generally accepted accounting principles.

- (I) Represents the elimination of \$204.3 million of the historical Communications Business intangible assets and the allocation of \$1,097.5 million of the estimated purchase price of the Communications Business Acquisition to intangible assets comprising of the asset classes shown in Note (H) above.

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**NETSCOUT SYSTEMS, INC.**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION (Continued)**

- (J) Represents the adjustment necessary to recognize the fair value of the performance obligations assumed by NetScout for deferred revenue of the Communications Businesses.
- (K) Represents a net increase to deferred tax liabilities resulting from the assignment of a portion of the estimated purchase price allocation to identifiable tangible and intangible assets which are not expected to be deductible for tax purposes (\$343.9 million), as well as the valuation of historical deferred tax assets of the Communications Business (\$4.2 million).
- (L) Reflects the (i) elimination of the historical equity of the Communications Business (which results in a reduction to pro forma equity of \$805.7 million after consideration of funding of certain liabilities by Danaher as noted in notes (B)(D) and (E) as well as other transaction adjustments noted in note (C)); (ii) addition of equity recorded for the issuance of 62.5 million shares of NetScout common stock issued as Equity Consideration at the May 1, 2015 price of \$43.05 per share (which results in an increase in pro forma equity of \$2,690.6 million); and (iii) an \$8.1 million (after tax) impact to retained earnings of transaction costs associated with the Communications Business Acquisition. As these transaction costs are not expected to have a continuing impact on the combined entity, they were not included in the pro forma combined statements of operations for any period presented; however, pro forma effect has been given to the incurrence of all expected transaction costs in the pro forma combined balance sheet as of December 31, 2014. The net effect of these adjustments to pro forma equity is an increase of \$1,876.8 million.

*Unaudited Pro Forma Combined Statements of Operations*

- (M) Represents the adjustment to revenues to reflect the measurement of deferred revenue based upon the fair value of the performance obligation that would have been assumed on the first day of fiscal 2014.
- (N) Represents the elimination of non-recurring transaction costs incurred during the nine-month period ended December 31, 2014 of \$6.2 million that are directly related to the Transactions. No transaction costs were incurred during the fiscal year ended March 31, 2014.
- (O) Represents the net adjustment necessary to reflect the elimination of depreciation of certain property that is being retained by Danaher as part of the transactions and the additional lease expense that will be incurred in relation to such buildings pursuant to the Transaction Documents. Depreciation expense recorded in the Communications Businesses for this property not acquired was \$1.0 million and \$0.7 million for the year ended December 31, 2013 and the nine months ended December 31, 2014, respectively. Total rent expense to be recorded for the year ended March 31, 2014 and the nine months ended December 31, 2014 is \$2.3 million and \$1.7 million, respectively.



(P) Reflects the pro forma adjustments for the amortization expense resulting from the allocation of a portion of the estimated purchase price of the Communications Business Acquisition to intangible assets. NetScout has estimated the pro forma amortization expense of acquired intangibles for the following periods based upon the estimated fair value and expected remaining useful lives (in thousands):

**Acquired Intangible Asset**

<b>Amortization:</b>	<b>Classification of Expense</b>	<b>Nine Months Ended December 31, 2014</b>	<b>Year Ended March 31, 2014</b>
Leasehold Interest	Amortization of intangible assets	\$ 1,506	\$ 2,008
Customer Relationships	Amortization of intangible assets	44,782	33,214
Backlog	Revenue	4,439	15,731
Trademarks	Amortization of intangible assets	6,431	8,186
Developed Technology	Cost of sales	30,898	44,300
<b>Total Acquired Intangible Asset Amortization</b>		<b>\$ 88,056</b>	<b>\$ 103,439</b>

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## NETSCOUT SYSTEMS, INC.

## NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION (Continued)

In addition, this adjustment reflects the elimination of the Communications Business historical intangible amortization as follows (in thousands):

Historical Intangible Asset Amortization:	Classification of Expense	Nine Months Ended	
		December 31, 2014	Year Ended March 31, 2014
Technology	Cost of sales	\$ 7,840	\$ 9,344
Customer relationships and Other Intangible Assets	Amortization of intangible assets	12,042	19,661
<b>Total Historical Intangible Asset Amortization</b>		<b>\$ 19,882</b>	<b>\$ 29,005</b>

- (Q) Reflects the estimated tax effect of pro forma adjustments to income before provision for income taxes using an estimated blended statutory rate of 38.0% for the periods presented based on the impact of the Communications Business Acquisition on the combined company, as the effective rate approximates the statutory rate for the periods presented.
- (R) Reflects the pro forma total number of shares outstanding giving effect to the common stock issued as consideration for the Communications Business Acquisition and the replacement awards. The pro forma weighted average number of shares of NetScout common stock outstanding for the fiscal year ended March 31, 2014 and the nine months ended December 31, 2014 have been calculated as if the common stock issued as part of the Communications Business Acquisition and the replacement equity awards had been issued or purchased as of April 1, 2013. The following table sets forth the computation of pro forma adjustment to basic and diluted shares for the following periods (in thousands):

	Nine Months Ended		Year Ended	
	December 31, 2014		March 31, 2014	
	Basic	Diluted	Basic	Diluted
NetScout, Inc. common shares outstanding	41,128	41,679	41,366	41,955
Record new equity issued to Danaher Shareholders	62,500	62,500	62,500	62,500
Dilutive impact of replacement awards		32		42
<b>Pro Forma Common Shares Outstanding</b>	<b>103,628</b>	<b>104,211</b>	<b>103,866</b>	<b>104,497</b>

- (S) Reflects the incremental expense related to compensation arrangements entered into pursuant to the Communications Business Acquisition Agreements of \$6.7 million for the year ended March 31, 2014 and \$2.9 million for the nine months ended December 31, 2014. The incremental expense for each period is classified within the unaudited pro forma combined statement of operations as follows:

	<b>Nine Months Ended December 31, 2014</b>	<b>Year Ended March 31, 2014</b>
Cost of product	\$ 29	\$ 67
Cost of service	200	469
Research & development	915	2,142
Sales & marketing	801	1,874
General & administrative	915	2,142
<b>Total Incremental Expense</b>	<b>\$ 2,860</b>	<b>\$ 6,694</b>

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE COMMUNICATIONS BUSINESS**

**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 year ended December 31, 2014. 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 Distribution, Danaher will cause specified assets used in, and liabilities of, the Communications Business to be conveyed to Newco. The distribution of Newco common units to Danaher stockholders will be effected as either 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 Mergers 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. 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. Upon completion of the Transactions, depending on the number of shares of NetScout common stock outstanding, it is expected that pre-First Merger holders of Newco common units and Newco Employees will hold approximately 59.5% of the shares of NetScout common stock on a fully-diluted basis following the Transactions. The Transactions are expected to be completed in 2015. NetScout and

Danaher anticipate that the transfer of certain assets and liabilities of the Communications Business will be completed after the closing date of the Mergers due to regulatory and other delays in certain jurisdictions outside the United States.

The Transactions remain subject to the approval of the issuance of shares of NetScout common stock in the First Merger by NetScout's stockholders and the satisfaction of customary closing conditions, including regulatory approvals and the absence of a Material Adverse Effect with respect to either the Communications Business or NetScout. On December 24, 2014, NetScout received a second request from the U.S. Department of Justice. The effect of the second request was to extend the waiting period imposed by the HSR Act until 30 days after both NetScout and Danaher substantially complied with the request, unless that period was extended voluntarily by the parties or terminated sooner by the U.S. Department of Justice. On April 22, 2015, the Antitrust Division of the U.S. Department of Justice gave Danaher and NetScout written notice that it had closed its investigation into the Transactions, which effectively terminated the waiting period under the HSR Act.

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The accompanying combined financial statements present the historical financial position, results of operations, changes in Danaher's, as parent, 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, 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, 2014.

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, 2014. 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, 2014.

## **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 business that serves communication service providers and enterprise networks in all major geographic regions. During 2014, approximately 44% 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. Market drivers that the Communications Business management believes will continue to create opportunities for the Communications Business include, among others, the continued proliferation of mobile devices that increase the bandwidth requirements for networks, continued challenges for IT organizations to assure secure networks, and the expansion and evolution of networks in emerging market economies. Challenges include, among other things, the

need for rapid technological development, a concentration of customers in North America, trends and costs associated with a global labor force, and competition from local competitors as well as new market entrants. The Communications Business

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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 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, reduce costs and align the organization with the current market opportunities, incurring severance and other reorganization costs to do so. In 2014, the Communications Business aligned its selling and research and development investments with what management believed to be its highest growth opportunities, including investments in cyber security, next-generation networks and virtualization. The Communications Business recorded restructuring and other related charges of \$23,910,000, \$5,529,000 and \$2,340,000, in 2014, 2013 and 2012, respectively; of which approximately 88%, 91% and 55%, in each respective year was included in selling, general 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. The 2014 restructuring actions are expected to result in annual savings of approximately \$25,000,000 in 2015 compared to 2014 expense levels.

**Acquisitions**

During 2014, the Communications Business made no acquisitions.

For a discussion of the Communications Business' 2013 and 2012 acquisition activity, refer to "Liquidity and Capital Resources - Investing Activities."



**Table of Contents****Results of Operations*****Comparison of Results of Operations for the Years Ended December 31, 2014 and December 31, 2013***

(\$ in thousands)	Year Ended December 31	
	2014	2013
Sales		
Products	\$ 535,281	\$ 623,632
Services	224,942	211,259
Total sales	760,223	834,891
Cost of sales:		
Products	(180,233)	(195,077)
Services	(52,750)	(48,043)
Total cost of sales	(232,983)	(243,120)
Gross profit:		
Products	355,048	428,555
Services	172,192	163,216
Total gross profit	527,240	591,771
Operating costs and other		
Selling, general and administrative expenses	(289,193)	(276,896)
Research and development expenses	(159,554)	(147,553)
Amortization of intangible assets	(16,158)	(19,661)
Impairment of intangible assets		(31,063)
Earnings before income taxes	62,335	116,598
Income Taxes	(19,783)	(32,792)
Net Earnings	\$ 42,552	\$ 83,806
Product gross profit as a % of product sales	66.3%	68.7%
Service gross profit as a % of service sales	76.5%	77.3%
Gross profit as a % of sales	69.4%	70.9%
Selling, general and administrative expenses as a % of sales	38.0%	33.2%
Research and development expenses as a % of sales	21.0%	17.7%
Earnings before income taxes as a % of sales	8.2%	14.0%

***Sales and Backlog***

The Communications Business total sales decreased \$74,668,000, or 8.9%, during 2014 as compared to 2013.

Product sales declined \$88,351,000, or 14.2%, in 2014 as compared to 2013 due primarily to lower sales of telecommunications network monitoring systems in North America. Certain of the Communications Business large customers are in the process of migrating their infrastructure to next-generation communication network technologies,

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 sales in the first half of 2015 but does expect year-over-year sales growth for the full year ending December 31, 2015. As noted below, the Communications Business received significant orders for next-generation products in the second half of 2014 that were not converted to sales in 2014 and remained in backlog as of December 31, 2014. Management anticipates that these orders for next-generation products will be converted to sales in 2015 and will be a significant contributing factor to the return to growth for the full year 2015. The overall decline in telecommunications network monitoring systems sales was partially offset by increased year-over-year product sales from recently acquired businesses, which contributed \$30,728,000 to reported sales, as well as high-single digit sales growth from enterprise performance management products.

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Sales of services increased by \$13,683,000, or 6.5%, in 2014 as compared to 2013. This sales growth was primarily 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, year-over-year sales for products and services decreased significantly in North America and to a lesser extent in Australia, which was partially offset by increases in Western Europe and the Middle East.

Backlog at December 31, 2014 was \$359,942,000, an increase of \$2,608,000 as compared to the balance at December 31, 2013, driven by increases in backlog for network security products and, to a lesser extent, enterprise network performance management products, which was largely offset by decreased backlog for network monitoring systems. Orders booked during 2014 decreased \$30,990,000 compared to 2013 due primarily to the North American customer capital spending delays described above. However, as noted above, orders declined at a slower rate than sales due to the booking of significant large orders for next-generation monitoring solutions during the second half of 2014, which are expected to be converted to sales in 2015. The Communications Business book to bill ratio (representing total orders booked divided by total sales), which was significantly below 1.0 for the first half of 2014, increased to 1.25 for the second half of 2014 and finished the full year at 1.02. The Communications Business also experienced order growth in a number of product categories including cyber security and application performance management for enterprise networks. Order growth rates across the Communications Business product offerings can vary significantly due to the size and timing of receipt of customer orders.

### *Cost of Sales*

Cost of products sales decreased \$14,844,000, or 7.6%, during 2014 as compared to 2013, due primarily to the decrease in sales volume as noted above, partially offset by increased cost of sales from recent acquisitions of approximately \$13,448,000 and incremental year-over-year costs associated with restructuring actions of approximately \$1,029,000 resulting from the Communications Business continuing efforts to align its organization with the current market opportunities.

Cost of services sales increased \$4,707,000, or 9.8%, during 2014 as compared to 2013 and grew faster than service sales due to higher service costs associated with recently acquired businesses of approximately \$710,000 and incremental year-over-year costs associated with restructuring actions of approximately \$1,544,000 resulting from the Communications Business continuing efforts to align its organization with the current market opportunities.

### *Gross Profit*

Gross profit decreased \$64,531,000 or 150 basis points as a percent of sales during 2014 as compared to 2013.

Product gross profit as a percent of product sales decreased 240 basis points during 2014 as compared to 2013 primarily as a result of North American sales comprising a lower percentage of total product sales, the dilutive impact of recent acquisitions and incremental year-over-year costs associated with restructuring actions resulting from the Communications Business continuing efforts to align its organization with the current market opportunities.

Service gross profit as a percent of service sales decreased 80 basis points during 2014 as compared to 2013, primarily as a result of the dilutive impact of recent acquisitions and incremental year-over-year costs associated with restructuring actions resulting from the Communications Business continuing efforts to align its organization with the current market opportunities.



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### *Operating Costs and Other Expenses*

Selling, general and administrative expenses increased \$12,297,000, or 480 basis points as a percent of sales, during 2014 as compared to 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 and to align investments with the Communications Business highest growth opportunities increased selling, general and administrative expenses as a percent of sales by 210 basis points;

incremental year-over-year costs associated with restructuring actions resulting from the Communications Business continuing efforts to align its organization with the current market opportunities increased selling, general and administrative expenses as a percent of sales by 220 basis points;

recent acquisitions increased selling, general and administrative expenses as a percent of sales by 110 basis points; and

adjustments to earn-out obligations decreased selling, general and administrative expenses as a percent of sales by 60 basis points.

Research and development expenses increased \$12,001,000, or 330 basis points as a percent of sales, during 2014 as compared to 2013. This increase was due primarily to investments in new product development, including a next-generation telecommunications monitoring platform designed to address the customer technology migrations described above and expansion of the Communications Business cyber security offering into advanced persistent threat (APT) as well as continued product development for recently acquired businesses.

Amortization of intangibles decreased \$3,503,000 during 2014 as compared to 2013 primarily due to the impairment of the customer relationship intangible assets in 2013 as discussed below, offset by the amortization of additional intangible assets from the acquisitions in 2013.

The Communications Business recorded an impairment charge of \$31,063,000 in 2013 to reduce certain acquired customer relationship intangible assets 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. There were no impairment charges recorded during 2014. For additional information regarding the impairment charge see Note 6 to the Combined Financial Statements for the year ended December 31, 2014.

### *Earnings Before Income Taxes*

The Communications Business earnings before income taxes declined \$54,263,000 during 2014 as compared to 2013, and as a percent of sales, declined from 14.0% of sales in 2013 to 8.2% of sales in 2014. The reduction in earnings before income taxes as a percent of sales is due to the factors below.

2014 vs. 2013 earnings before income taxes margin comparisons were favorably impacted by:

the intangible asset impairment taken in 2013 370 basis points as a percent of sales; and

adjustments to earn-out obligations in 2014 60 basis points.

2014 vs. 2013 earnings before income taxes margin comparisons were unfavorably impacted by:

the year-over-year decline in sales and incremental year-over-year costs associated with new product development and sales and marketing growth investments, offset by savings associated with restructuring actions and continuing productivity improvement initiatives 750 basis points;

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the year-over-year incremental costs associated restructuring actions taken in 2014 and 2013 240 basis points; and

the dilutive impact of recent acquisitions, due primarily to higher research and development costs 20 basis points.

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

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

*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



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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.

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 in 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, 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 a next-generation telecommunications monitoring platform designed to address 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.

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The Communications Business recorded an impairment charge of \$31,063,000 in 2013 to reduce certain acquired customer relationship assets 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, 2014.

### *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 reductions 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; and

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 and sales and marketing growth investments negatively impacted earnings before income taxes as a percent of sales by 20 basis points.

### **Income Taxes**

#### **General**

The Communications Business domestic and international earnings are included in tax returns filed by Danaher. The Communications Business accounts for income taxes under the separate returns method. Under this approach, income tax expense and deferred tax assets and liabilities are determined as if the Communications Business were filing separate returns. The Communications Business records the tax effect of discrete items in the period in which they occur.

The Communications Business effective tax rate can be affected by changes in the mix of earnings in countries with differing statutory tax rates (including as a result of business acquisitions and dispositions), changes in the valuation of deferred tax assets and liabilities, accruals related to contingent tax liabilities and period-to-period changes in such accruals, the results of audits and examinations of previously filed tax returns (as discussed below), the expiration of statutes of limitations, the implementation of tax planning strategies, tax rulings, court decisions, settlements with tax authorities and changes in tax laws.

As part of Danaher, the amount of income taxes the Communications Business pays is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. Management performs a comprehensive review of its global tax positions on a quarterly basis. Based on these reviews, the results of discussions and resolutions of matters with certain tax authorities, tax rulings and court decisions, and the expiration of statutes of limitations, reserves for contingent tax liabilities are accrued or adjusted as necessary.

The Communications Business effective tax rate for 2014, 2013 and 2012, was 31.7%, 28.1% and 34.3%, respectively. The Communications Business effective tax rate for each year was lower than the U.S. federal statutory rate of 35% due principally to tax benefits of the Domestic Production Activities Deduction and the lapse of certain statutes of limitation, partially offset by state income taxes. For the years ended December 31, 2014 and December 31, 2013, the effective tax rate was also lower due to the reinstatement of the research and experimentation credit resulting from the enactments of the Tax Increase Prevention Act of 2014 and American Taxpayer Relief Act of 2012, partially offset by foreign income taxed at different rates than the U.S. federal statutory rate.

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### **Inflation**

The effect of inflation on the Communications Business revenues and net earnings was not significant in the years ended December 31, 2014, 2013 or 2012.

### **Risk Management**

The Communications Business is exposed to market risk from changes in foreign currency exchange rates, credit risk, and commodity prices, each of which could impact its financial statements. The Communications Business generally addresses its exposure to these risks through its normal operating and financing activities.

#### ***Currency Exchange Rate Risk***

The Communications Business faces transactional exchange rate risk from transactions with customers in countries outside the United States and from intercompany transactions between affiliates. Transactional exchange rate risk arises from the purchase and sale of goods and services in currencies other than the Communications Business functional currency or the functional currency of an applicable subsidiary. The Communications Business also faces translational exchange rate risk related to the translation of financial statements of foreign operations into U.S. dollars, the Communications Business functional currency. Costs incurred and sales recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, the Communications Business is exposed to movements in the exchange rates of various currencies against the U.S. dollar, particularly the Euro. Therefore, when the Euro strengthens or weakens against the U.S. dollar, operating profits are increased or decreased, respectively. The effect of a change in currency exchange rates on the Communications Business net investment in international subsidiaries is reflected in the accumulated other comprehensive income (loss) component of parent's equity. A 10% depreciation in the Euro to the U.S. dollar at December 31, 2014 would have resulted in a reduction of parent's equity of approximately \$8,300,000.

The impact of currency exchange rates on reported sales during the years ended December 31, 2014 and 2013 was negligible. In 2012 currency exchange rates negatively impacted sales by approximately 1.0% as compared to 2011.

If the exchange rates in effect as of December 31, 2014 were to prevail throughout 2015, currency exchange rates would adversely impact 2015 estimated sales by approximately 1.0% relative to the Communications Business performance in 2014 due to the strengthening of the U.S. dollar against most major currencies at the end of the fourth quarter of 2014. Additional strengthening of the U.S. dollar against other major currencies would further adversely impact the Communications Business sales and results of operations on an overall basis. Any weakening of the U.S. dollar against other major currencies would positively impact the Communications Business sales and results of operations.

As part of Danaher, the Communications Business has generally accepted the exposure to exchange rate movements without using derivative financial instruments to manage this risk. Both positive and negative movements in currency exchange rates against the U.S. dollar will therefore continue to affect the reported amount of sales, profit, and assets and liabilities in the Communications Business financial statements.

#### ***Credit Risk***

The Communications Business is exposed to potential credit losses in the event of nonperformance by counterparties to its financial instruments. Financial instruments that potentially subject the Communications Business to credit risk consist of receivables from customers.

Sales to the Communications Business largest two customers were 30% of total sales in 2014, 36% of total sales in 2013, and 33% in of total sales in 2012. No other individual customer accounted for more than 10% of

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combined sales during these periods. Accounts receivable from these customers accounted for 19% and 11% of total customer receivables as of December 31, 2014 and December 31, 2013, respectively.

The Communications Business management performs credit evaluations of their customers financial conditions as appropriate and also obtains collateral or other security when appropriate.

**Liquidity and Capital Resources**

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. During the years ended December 31, 2014 and 2013, the Communications Business generated sufficient cash from operating activities to fund its capital spending and acquisitions. During the year ended December 31, 2012, Danaher provided funding to the Communications Business to support the Communications Business investing activities.

The following is an overview of the Communications Business cash flows and liquidity:

***Overview of Cash Flows and Liquidity***

(\$ in thousands)	<b>For the Year Ended December 31</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total operating cash flows	\$ 92,621	\$ 102,962	\$ 172,132
Cash paid for acquisitions	\$	\$ (74,719)	\$ (189,138)
Payments for additions to property, plant and equipment	(16,877)	(13,438)	(12,487)
Net cash used in investing activities	\$ (16,877)	\$ (88,157)	\$ (201,625)
Net transfers from (to) parent	\$ (73,244)	\$ (14,805)	\$ 29,493
Payments relating to earn-out liability	(2,500)		
Net cash (used in) provided by financing activities	\$ (75,744)	\$ (14,805)	\$ 29,493

Operating cash flows decreased \$10,341,000 during 2014 as compared to 2013 principally due to lower net earnings offset by the timing of customer deposits received in 2014 and net cash outflows related to trade accounts receivable, inventories and trade accounts payable during 2014 as compared to 2013, which can be significantly impacted by the timing of collections and payments in a period. Cash used in investing activities decreased \$71,280,000 during 2014 as compared to 2013, as the business did not make any acquisitions during 2014. Cash used in financing activities increased \$60,939,000 during 2014 compared to 2013, primarily due to cash flows generated by the Communications Business being returned to Danaher in 2014 where these amounts were invested in acquired businesses in 2013.

Operating cash flows decreased \$69,170,000 during 2013 as compared to 2012 principally due to lower net earnings and the timing of customer deposits received in 2012. Cash used in investing activities decreased \$113,468,000 during 2013 as compared to 2012, as cash paid for acquisitions decreased by \$114,419,000. Cash used in financing activities

increased \$44,298,000 during 2013 as compared to 2012, as Danaher had funded a portion of the Communications Business investing activities in 2012.



**Table of Contents****Contractual Obligations**

The following table sets forth, by period due or year of expected expiration, as applicable, a summary of the Communications Business contractual obligations as of December 31, 2014 under (1) leases, (2) purchase obligations and (3) other long-term liabilities reflected on the Communications Business balance sheet under GAAP. The amounts presented in the table below do not reflect \$6,671,000 of gross unrecognized tax benefits, the timing of which is uncertain. Refer to Note 12 to the Combined Financial Statements for the year ended December 31, 2014 for additional information on unrecognized tax benefits.

(\$ in thousands)	<b>Total</b>	<b>Less Than One Year</b>	<b>1-3 Years</b>	<b>3-5 Years</b>	<b>More Than 5 Years</b>
Operating Lease Obligations <sup>(a)</sup>	\$ 22,179	\$ 6,327	\$ 11,057	\$ 4,027	\$ 768
<b>Other:</b>					
Purchase Obligations <sup>(b)</sup>	39,567	36,055	3,428	84	
Earn-out Obligations	18,291	18,291			
Other Long-Term Liabilities Reflected on the Communications Business Balance Sheet Under GAAP <sup>(c)</sup>	78,933		33,521	20,187	25,225
<b>Total</b>	\$ 158,970	\$ 60,673	\$ 48,006	\$ 24,298	\$ 25,993

- (a) As described in Note 10 to the Combined Financial Statements for the year ended December 31, 2014, certain leases require the Communications Business to pay real estate taxes, insurance, maintenance and other operating expenses associated with the leased premises. These future costs are not included in the schedule above.
- (b) Consist of agreements to purchase goods or services that are enforceable and legally binding on the Communications Business and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction.
- (c) Primarily consist of obligations for indemnification obligations, self-insurance and litigation claims, pension obligations, deferred tax liabilities (excluding unrecognized tax benefits) and deferred compensation obligations. The timing of cash flows associated with these obligations is based upon management's estimates over the terms of these arrangements and is largely based upon historical experience.

**Off-Balance Sheet Arrangements**

In the normal course of business, the Communications Business periodically enters into agreements that require it to indemnify customers, suppliers or other business partners for specific risks, such as claims for injury or property damage arising out of the Communications Business products or services or claims alleging that Communications Business products, services or software infringe third party intellectual property. Historically, the Communications Business has not experienced significant losses on these types of indemnification obligations.

**Legal Proceedings**

Please refer to Note 11 to the Combined Financial Statements for the year ended December 31, 2014 for information regarding legal proceedings and contingencies. For a discussion of risks related to legal proceedings and contingencies, please refer to the section entitled Risk Factors above.

**Critical Accounting Estimates**

Management's discussion and analysis of the Communications Business financial condition and results of operations is based upon the Communications Business Combined Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States for the preparation of carved-out, combined financial statements. The preparation of these financial statements requires management to

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make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Communications Business bases these estimates and judgments on historical experience, the current economic environment and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates and judgments.

The Communications Business believes the following accounting estimates are most critical to an understanding of its financial statements. Estimates are considered to be critical if they meet both of the following criteria: (1) the estimate requires assumptions about material matters that are uncertain at the time the estimate is made, and (2) material changes in the estimate are reasonably likely from period to period. For a detailed discussion on the application of these and other accounting estimates, refer to Note 2 in the Communications Business Combined Financial Statements for the year ended December 31, 2014.

***Accounts Receivable***

The Communications Business maintains allowances for doubtful accounts to reflect probable credit losses inherent in its portfolio of receivables. Determination of the allowances requires management to exercise judgment about the timing, frequency and severity of credit losses that could materially affect the allowances for doubtful accounts and, therefore, net income. The allowances for doubtful accounts represent management's best estimate of the credit losses expected from the Communications Business trade accounts, contract and finance receivable portfolios. The level of the allowances is based on many quantitative and qualitative factors including historical loss experience by receivable type, portfolio duration, delinquency trends, economic conditions and credit risk quality. The Communications Business regularly performs detailed reviews of its accounts receivable portfolio to determine if an impairment has occurred and to assess the adequacy of the allowances. If the financial condition of the Communications Business customers were to deteriorate with a severity, frequency and/or timing different from the Communications Business assumptions, additional allowances would be required and the Communications Business financial statements would be adversely impacted.

***Inventories***

The Communications Business records inventory at the lower of cost or market value. The Communications Business estimates the market value of its inventory based on assumptions of future demand and related pricing. Estimating the market value of inventory is inherently uncertain because levels of demand, technological advances and pricing competition in many of the Communications Business markets can fluctuate significantly from period to period due to circumstances beyond the Communications Business control. If actual market conditions are less favorable than those projected by management, the Communications Business could be required to reduce the value of its inventory, which would adversely impact the Communications Business financial statements.

***Acquired Intangibles***

The Communications Business acquisitions typically result in the recognition of goodwill, in-process research and development and other intangible assets, which affect the amount of future period amortization expense and possible impairment charges that the Communications Business may incur. Refer to Notes 2, 3 and 6 in the Communications Business Combined Financial Statements for the year ended December 31, 2014 for a description of the Communications Business policies relating to goodwill, acquired intangibles and acquisitions.

In performing its goodwill impairment testing, the Communications Business estimates the fair value of its reporting units primarily using a market based approach. The Communications Business estimates fair value based on

appropriate multiples of sales or earnings before interest, taxes, depreciation and amortization ( EBITDA ) determined by current trading market multiples of earnings and/or sales for companies operating in businesses similar to each of the Communications Business reporting units, in addition to recent market

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available sale transactions of comparable businesses. In evaluating the estimates derived by the market based approach, management makes judgments about the relevance and reliability of the multiples by considering factors unique to its reporting units, including operating results, business plans, economic projections, anticipated future cash flows, and transactions and marketplace data as well as judgments about the comparability of the market proxies selected. In certain circumstances the Communications Business also estimates fair value utilizing a discounted cash flow analysis (i.e., an income approach) in order to validate the results of the market approach. The discounted cash flow model requires judgmental assumptions about projected revenue growth, future operating margins, discount rates and terminal values. There are inherent uncertainties related to these assumptions and management's judgment in applying them to the analysis of goodwill impairment.

As of December 31, 2014, the Communications Business had four reporting units for goodwill impairment testing. Reporting units resulting from recent acquisitions generally present the highest risk of impairment. The Communications Business management believes the impairment risk associated with these reporting units decreases as these businesses are integrated into the Communications Business and better positioned for potential future earnings growth. The carrying value of the goodwill included in each individual reporting unit ranges from \$59,330,000 to \$411,157,000. The Communications Business annual goodwill impairment analysis in 2014 indicated that in all instances, the fair values of the Communications Business reporting units exceeded their carrying values and consequently did not result in an impairment charge.

The Communications Business reviews identified intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Communications Business also tests intangible assets with indefinite lives at least annually for impairment. Determining whether an impairment loss occurred requires a comparison of the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. These analyses require management to make judgments and estimates about future revenues, expenses, market conditions and discount rates related to these assets.

As a result of these impairment analyses, the Communications Business recorded impairment charges of \$31,063,000 in 2013 related to the value of customer relationship and technology intangible assets. There were no impairments recorded in 2014 or 2012. The 2013 impairment charge was recorded to reduce the value of certain customer relationship assets to their estimated fair value. These customer relationship assets were deemed to be impaired because as of December 31, 2013, orders and financial results of the acquired business to which these assets relate had not materialized according to the original expectations of the Communications Business as of the date of acquisition.

If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets may be overstated and a charge would need to be taken against net earnings which would adversely affect the Communications Business financial statements.

***Contingent Liabilities***

As discussed above under Liquidity and Capital Resources Legal Proceedings, the Communications Business is, from time to time, subject to a variety of litigation and similar contingent liabilities incidental to its business (or the business operations of previously owned entities). The Communications Business recognizes a liability for any contingency that is known or probable of occurrence and reasonably estimable. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors, including those discussed above under Liquidity and Capital Resources Legal Proceedings. If the reserves established by the Communications Business with respect to these contingent liabilities are inadequate, the Communications Business

would be required to incur an expense equal to the amount of the loss incurred in excess of the reserves, which would adversely affect the Communications Business financial statements.

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In connection with acquisitions, the Communications Business may enter into post-closing financial arrangements such as purchase price adjustments, earn-out obligations and indemnification obligations. These obligations are recorded at their fair value at the time of acquisition and require management to make judgments and estimates about the ultimate settlement amount. While the Communications Business believes it has made reasonable estimates and assumptions to calculate the fair value of these obligations, if actual results are not consistent with management's estimates and assumptions, these obligations may be understated and a charge would need to be taken against net earnings.

### ***Revenue Recognition***

The Communications Business derives revenues from the sale of products and services. Refer to Note 2 to the Communications Business Combined Financial Statements for the year ended December 31, 2014 for a description of the Communications Business revenue recognition policies.

Certain commercial agreements contain multiple elements or non-standard terms and conditions. As a result, judgment is sometimes required to determine the appropriate accounting, including whether the deliverables specified in these agreements should be treated as separate units of accounting for revenue recognition purposes, and, if so, how the consideration should be allocated among the elements and when to recognize revenue for each element.

The Communications Business allocates revenue to each element in the contractual arrangement based on a selling price hierarchy that, in some instances, may require the Communications Business to estimate the selling price of certain deliverables that are not sold separately or where third party evidence of pricing is not observable. The Communications Business estimate of selling price impacts the amount and timing of revenue recognized in multiple element arrangements. If the Communications Business judgments regarding revenue recognition prove incorrect, the Communications Business revenues in particular periods may be adversely affected.

### ***Corporate Allocations***

The Communications Business has historically operated as part of Danaher and not as a stand-alone company. Accordingly, certain shared costs have been allocated to the Communications Business and are reflected as expenses in the accompanying financial statements. Management considers the allocation methodologies used to be reasonable and appropriate reflections of the related expenses attributable to the Communications Business for purposes of the carve-out financial statements; however, the expenses reflected in these financial statements may not be indicative of the actual expenses that would have been incurred during the periods presented if the Communications Business had operated as a separate stand-alone entity. In addition, the expenses reflected in the financial statements may not be indicative of expenses that will be incurred in the future by the Communications Business.

### ***Stock-Based Compensation***

For a description of the Communications Business stock-based compensation accounting practices, refer to Note 13 to the Communications Business Combined Financial Statements for the year ended December 31, 2014. Determining the appropriate fair value model and calculating the fair value of stock-based payment awards require subjective assumptions, including the expected life of the awards, stock price volatility and expected forfeiture rate. The assumptions used in calculating the fair value of stock-based payment awards represent the Communications Business best estimates, but these estimates involve inherent uncertainties and the application of management judgment. If actual results are not consistent with management's assumptions and estimates, the Communications Business equity-based compensation expense could be materially different in the future.

***Pension***

For a description of the Communications Business pension benefit accounting practices, refer to Note 9 in the Communications Business Combined Financial Statements for the year ended December 31, 2014. Calculations of the amount of pension costs and obligations depend on the assumptions used in the actuarial valuations,



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including assumptions regarding discount rates, expected return on plan assets, rates of salary increases, mortality rates, and other factors. If the assumptions used in calculating pension costs and obligations are incorrect or if the factors underlying the assumptions change (as a result of differences in actual experience, changes in key economic indicators or other factors) the Communications Business financial statements could be materially affected.

The Communications Business pension plan assets consist of various insurance contracts, equity and debt securities as determined by the administrator of each plan. The estimated long-term rate of return for the plans was determined on a plan-by-plan basis based on the nature of the plan assets and ranged from 3% to 6%. If the expected long-term rate of return on plan assets for 2014 was reduced by 50 basis points, pension expense for the plans for 2014 would have increased \$8,800 (\$6,000 on an after-tax basis).

During 2015, the Communications Business cash contribution requirements for its defined benefit pension plans are expected to be approximately \$122,000. The ultimate amounts to be contributed depend upon, among other things, legal requirements, underlying asset returns, the plan's funded status, the anticipated tax deductibility of the contribution, local practices, market conditions, interest rates and other factors.

## ***Income Taxes***

For a description of the Communications Business income tax accounting policies, refer to Notes 2 and 12 of the Communications Business Combined Financial Statements for the year ended December 31, 2014. The Communications Business establishes valuation allowances for its deferred tax assets if it is more likely than not that some or all of the deferred tax asset will not be realized which requires management to make judgments and estimates regarding: (1) the timing and amount of the reversal of taxable temporary differences, (2) expected future taxable income, and (3) the impact of tax planning strategies. Future changes to tax rates would also impact the amounts of deferred tax assets and liabilities and could have an adverse impact on the Communications Business financial statements.

The Communications Business provides for unrecognized tax benefits when, based upon the technical merits, it is more-likely-than-not that an uncertain tax position will not be sustained upon examination. Judgment is required in evaluating tax positions and determining income tax provisions. The Communications Business re-evaluates the technical merits of its tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (i) a tax audit is completed; (ii) applicable tax laws change, including a tax case ruling or legislative guidance; or (iii) the applicable statute of limitations expires.

An increase in the nominal tax rate of 1% would have resulted in an additional income tax provision for continuing operations for the fiscal year ended December 31, 2014 of \$623,000.

## **New Accounting Standards**

In May 2014, the Financial Accounting Standards Board ( FASB ) issued Accounting Standards Update ( ASU ) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which impacts virtually all aspects of an entity's revenue recognition. The core principle of the new standard is that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is effective for annual reporting periods beginning after December 15, 2016. Management has not yet completed its assessment of the impact of the new standard, including possible transition alternatives, on the Communications Business financial statements.



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**THE TRANSACTIONS**

**Overview**

On October 12, 2014, NetScout and Danaher agreed to enter into the Transactions to effect the transfer of the Communications Business to NetScout. These Transactions provide for the separation and 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 prospectus, govern the relationship among Danaher, Newco, NetScout and their respective affiliates after the Separation, the Distribution and the Mergers.

The Communications Business consists of the communications group business of Danaher conducted under the brands Tektronix Communications, Fluke Networks and Arbor Networks, and including Newco and its subsidiaries, but excluding Danaher's data communications cable installation business and its communication service provider business. Prior to the Distribution and the First Merger, Danaher will convey to Newco or one or more subsidiaries of Danaher certain assets and liabilities constituting the Communications Business, and will cause any applicable subsidiary of Danaher 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. Immediately thereafter, Danaher will contribute all the equity interests in each such subsidiary of Danaher holding assets and liabilities constituting the Communications Business to Newco in exchange for Newco common units. In addition, certain assets, liabilities and employees of the Communications Business may be transferred directly to NetScout or one or more subsidiaries of NetScout.

On the closing date of the Mergers, Danaher will distribute Newco common units to its participating stockholders in an exchange offer. If the exchange offer is consummated but is not fully subscribed, Danaher will distribute the remaining Newco common units on a pro rata basis to Danaher stockholders whose shares of Danaher common stock remain outstanding after consummation of the exchange offer. Any Danaher stockholder who validly tenders (and does not properly withdraw) shares of Danaher common stock for Newco common units in the exchange offer will waive their rights with respect to such shares to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the event the exchange offer is not fully subscribed. If there is a pro rata distribution, the exchange agent will calculate the exact number of Newco common units not exchanged in the exchange offer and to be distributed on a pro rata basis, and the number of shares of NetScout common stock into which the remaining Newco common units will be converted in the First Merger will be transferred to Danaher stockholders (after giving effect to the consummation of the exchange offer) as promptly as practicable thereafter.

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. In the First Merger, each Newco common unit will be converted into the right to receive NetScout common stock based on the exchange ratio set forth in the Merger Agreement, as described in the section of this prospectus entitled "The Merger Agreement—Merger Consideration." 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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NetScout and Danaher anticipate that the transfer of certain assets and liabilities of the Communications Business will be completed after the closing date of the Mergers due to regulatory and other delays in certain jurisdictions outside the United States.

In connection with the First Merger, NetScout expects to issue approximately 62.5 million shares of NetScout common stock to Danaher stockholders, assuming no adjustment pursuant to the Merger Agreement. Calculated based on the closing price on NASDAQ of NetScout common stock as of May 1, 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 \$2.7 billion in the aggregate (the actual value will not be known until the closing date). See Calculation of Merger Consideration.

## **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 prospectus.

*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 Danaher certain assets and liabilities constituting the Communications Business, and will cause any applicable subsidiary of Danaher 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. Immediately thereafter, Danaher will contribute all the equity interests in each such subsidiary of Danaher holding assets and liabilities constituting the Communications Business to Newco in exchange for Newco common units. In addition, certain assets, liabilities and employees of the Communications Business may be transferred directly to NetScout or one or more subsidiaries of NetScout.

*Step #2 The Distribution; Exchange Offer and Spin-Off.* On the closing date of the Mergers, Danaher will distribute 100% of the Newco common units to Danaher stockholders through an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution. 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**

*The Separation*

Prior to the Distribution and the First Merger, Danaher will convey to Newco or one or more subsidiaries of Danaher certain assets and liabilities constituting the Communications Business, and will cause any applicable subsidiary of Danaher 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. Immediately thereafter, Danaher will contribute all the equity interests in each such subsidiary of Danaher holding assets and liabilities constituting the Communications Business to Newco in

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exchange for common units. In addition, certain assets, liabilities and employees of the Communications Business may be transferred directly to NetScout or one or more subsidiaries of NetScout.

NetScout and Danaher anticipate that the transfer of certain assets and liabilities of the Communications Business will be completed after the closing date of the Mergers due to regulatory and other delays in certain jurisdictions outside the United States.

### *The Distribution Exchange Offer and Split-Off*

On the closing date of the Mergers, Danaher will distribute 100% of the Newco common units to Danaher stockholders through a combination of an exchange offer followed by, in the event the exchange offer is not fully subscribed, a spin-off distribution. 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.

Any Danaher stockholder who validly tenders (and does not properly withdraw) shares of Danaher common stock for Newco common units in the exchange offer will waive their rights with respect to such shares to receive, and forfeit any rights to, Newco common units distributed on a pro rata basis to Danaher stockholders in the event the exchange offer is not fully subscribed. If there is a pro rata distribution, the exchange offer agent will calculate the exact number of Newco common units owned by Danaher that will not be exchanged in the exchange offer and to be distributed on a pro rata basis, and the number of shares of NetScout common stock into which the remaining Newco common units will be converted in the First Merger will be transferred to the relevant Danaher stockholders (after giving effect to the consummation of the exchange offer) as promptly as practicable thereafter.

The exchange offer agent 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. Following the consummation of the exchange offer and as part of the First Merger, each Newco common unit (except Newco common units held by Danaher, Newco, NetScout or Merger Sub) will be converted into the right to receive fully paid and nonassessable shares of NetScout common stock, as further described below under Calculation of the Merger Consideration. For additional information regarding the exchange offer, see This Exchange Offer.

## **The Mergers**

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 cease 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. In the First Merger, each Newco common unit will be converted into the right to receive NetScout common stock based on the exchange ratio set forth in the Merger Agreement, as described in the section of this prospectus entitled The Merger Agreement Merger Consideration. 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 cease 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.

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**Table of Contents****Calculation of the Merger Consideration**

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, Newco NetScout or Merger Sub) 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. In addition, 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. 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 pre-First Merger holders of Newco common units and Newco Employees collectively holding approximately 59.5% of the outstanding equity interests of NetScout on a fully-diluted basis upon completion of the Transactions and NetScout's equityholders 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.

**Background of the Transactions**

NetScout is a leader in application and network performance management solutions that enable enterprise and service provider organizations to assure the quality of the user experience for business and mobile services. NetScout's technology helps these organizations manage service delivery and identify emerging performance problems, helping to quickly resolve issues that cause business disruptions or negatively affect users of information technology. NetScout's current growth strategy includes, among other elements, continued innovation to enhance and expand its product portfolio, support pervasive visibility for customers through continued advancement of its Adaptive Session Intelligence software, the expansion of its customer base in the service provider and enterprise markets, and the growth of its sales force.

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. The Communications Business is run primarily through Danaher's Tektronix Communications, Arbor Networks and Fluke Networks Enterprise businesses. As part of Danaher's strategy, Danaher's board of directors and senior management have reviewed Danaher's portfolio of businesses and assets to determine whether changes might be advisable and to consider possible transactions, including possible disposition and merger opportunities, in order to maximize value for Danaher stockholders.

From time to time over a number of years, Anil K. Singhal, NetScout's Chief Executive Officer, and representatives of Danaher engaged in preliminary, informal conversations regarding potential opportunities involving the two companies. Danaher's management had from time to time informed Danaher's board of directors of these discussions and of the potential opportunities between the two companies.

On July 1, 2014, Mr. Singhal and James A. Lico, Danaher's Executive Vice President, had a telephonic discussion regarding the potential combination of NetScout and the Communications Business.

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On July 11, 2014, Mr. Singhal and H. Lawrence Culp, Jr., Danaher's then President and Chief Executive Officer, and Daniel L. Comas, Danaher's Executive Vice President and Chief Financial Officer, met in Washington, D.C. and had a preliminary discussion about the potential combination of NetScout and the Communications Business.

On July 15, 2014, immediately after a regularly scheduled meeting of NetScout's board of directors, Mr. Singhal met with NetScout's Finance Committee, the committee historically used by NetScout's board of directors to evaluate strategic opportunities, and informed the Finance Committee that he had preliminary discussions with Danaher about a possible transaction involving the Communications Business. The Finance Committee requested that Mr. Singhal obtain additional details about the potential transaction and authorized NetScout to begin conducting preliminary due diligence relating to the Communications Business.

On July 15, 2014, Jean Bua, NetScout's Chief Financial Officer, and Mr. Comas had a telephone call in which they discussed the potential business combination and the possible structure of the transaction.

On July 18, 2014, Mr. Singhal, Ms. Bua, Mr. Culp and Mr. Comas had a telephone call in which they discussed the respective businesses, the structure of a possible transaction and the general timing of a possible transaction.

While Danaher considered alternate structures for a combination of the Communications Business with NetScout (i.e., a carve-out or merger of the business with NetScout in exchange for cash or stock), the tax-related benefits to Danaher and its stockholders of a Reverse Morris Trust structure (as described in more detail in the immediately following paragraph), together with the ability for Danaher shareholders to continue to own shares representing a majority stake in the combined business, led Danaher to limit its proposal to a Reverse Morris Trust structure.

On July 21, 2014, Mr. Singhal met with NetScout's Finance Committee and provided additional details about the proposed transaction, including the possibility that the transactions would be structured as a Reverse Morris Trust. In general, in a Reverse Morris Trust transaction, Danaher could dispose of the Communications Business to NetScout on a tax-free basis to Danaher and its stockholders through a spin-off or split-off distribution of the Communications Business to Danaher's stockholders immediately followed by a merger of a newco entity owning the Communications Business with a subsidiary of NetScout in exchange for equity of NetScout. The Reverse Morris Trust structure was feasible in this case because the value of the Communications Business exceeded the value of NetScout's existing business, and attractive because a taxable disposition of the Communications Business might otherwise have made the transaction financially unattractive to Danaher or have required NetScout to pay additional consideration. In addition, in a Reverse Morris Trust structure, NetScout would primarily be able to issue equity of NetScout as consideration in the transaction, relieving NetScout from incurring significant debt to fund a cash acquisition of this magnitude. Mr. Singhal noted the preliminary structure of the transaction under consideration and informed NetScout's Finance Committee that he expected to determine whether the transaction was feasible or financially possible after an in-person meeting between certain members of the NetScout management team and the management team for Danaher and the Communications Business to be held before the end of the month of July.

Between July 25 and July 29, 2014, representatives of NetScout, NetScout's outside counsel, Cooley LLP ( Cooley ), and Danaher had several telephone calls regarding a proposed confidentiality and non-disclosure agreement between the parties.

On July 29, 2014, NetScout and Danaher executed the confidentiality agreement.

On July 31 and August 1, 2014, members of each of the management teams of Danaher, including Messrs. Lico, Culp and Comas, and NetScout, including Mr. Singhal, Ms. Bua and Mr. Levinson, held in person meetings, at Danaher's headquarters in Washington, D.C. At these meetings, representatives of Danaher



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reviewed the Communications Business, including its products, views on the industry, infrastructure and operations, potential synergies and a location-by-location overview, together with preliminary financial information. Representatives of NetScout also reviewed NetScout's business, products and views on the industry. In addition, representatives of Danaher referenced an illustrative valuation of the Communications Business of \$3.0 billion for discussion purposes, based on an assumed value of \$44 per share of NetScout common stock. Representatives of NetScout did not comment on the illustrative price at such time and noted that they would revert with a response following further consideration.

On August 12, 2014, NetScout's board of directors met to discuss NetScout's progress on the proposed transaction with senior management, Cooley and NetScout's financial advisor, RBC Capital Markets. Mr. Singhal discussed the strategic rationale for the proposed transaction. During the meeting, NetScout's board of directors discussed financial aspects of the proposed transaction with RBC Capital Markets. Following the discussion, NetScout's board of directors authorized management to prepare a non-binding letter of intent and continue discussions with Danaher.

On August 15, 2014, NetScout furnished Danaher with a non-binding letter of intent for a possible acquisition by NetScout of the Communications Business through a Reverse Morris Trust structure, which would include the acquisition of the Communications Business through a reverse triangular merger immediately following a spin-off distribution of the Communications Business to Danaher's stockholders, with consideration in the form of shares of NetScout common stock. The non-binding letter of intent contemplated, among other things, a proposed valuation for the Communications Business of \$2.4 billion to \$2.6 billion, based on NetScout's then-closing stock price of approximately \$44 per share.

Between August 15, 2014 and August 22, 2014, Messrs. Singhal, Culp and Comas discussed various terms of the non-binding letter of intent, including the proposed consideration for the Communications Business. On August 20, 2014, Mr. Culp indicated to Mr. Singhal that Danaher would be willing to accept a valuation of \$2.8 billion for the Communications Business, based on an assumed value of \$44 per share of NetScout common stock. On August 21, Mr. Singhal indicated to Mr. Culp that NetScout proposed a valuation of \$2.7 billion for the Communications Business, based on an assumed value of \$44 per share of NetScout common stock. Later on August 21, Mr. Comas indicated to Mr. Singhal that Danaher's proposal remained at a valuation of \$2.8 billion for the Communications Business, based on an assumed value of \$44 per share of NetScout common stock. During such period, Mr. Singhal also conferred with John R. Egan, NetScout's lead independent director, and RBC Capital Markets regarding financial matters pertaining to the Communications Business.

On August 22, 2014, Mr. Comas indicated that Danaher proposed a valuation of \$2.75 billion for the Communications Business, equaling approximately 62.5 million shares of NetScout common stock at an assumed value of \$44 per share of NetScout common stock, which proposal Mr. Singhal indicated he would find acceptable subject to review with the NetScout board of directors. Later on August 22, 2014, NetScout's board of directors held a meeting with representatives of NetScout's senior management and legal and financial advisors attending. During the meeting, Mr. Singhal updated NetScout's board of directors on the recent discussions with Danaher regarding the proposed merger consideration, exclusivity periods and other matters. Later in the day, Danaher sent a revised non-binding letter of intent to NetScout, which contemplated an aggregate purchase price of \$2.75 billion based on the issuance of 62.5 million shares of NetScout common stock at an assumed value of \$44 per share, reflecting the proposal communicated by Mr. Comas to Mr. Singhal earlier that day and subsequently discussed with the NetScout board of directors.

On August 23 and August 24, 2014, Mr. Singhal had additional discussion with Danaher representatives regarding the non-binding letter of intent.

On August 24, 2014, Danaher's board of directors received an update regarding the status of the potential transaction with NetScout.

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On August 25, 2014, NetScout's board of directors held a meeting, with representatives of NetScout's senior management and legal and financial advisors attending, to discuss and obtain approval to enter into the proposed non-binding letter of intent. During the meeting, RBC Capital Markets discussed the financial terms and certain related aspects of the proposed letter of intent and Cooley discussed fiduciary duty and other legal considerations relating to the proposed transaction and structure. Following the discussion, the NetScout board of directors authorized the non-binding letter of intent. Later in the day, NetScout executed the non-binding letter of intent with Danaher.

On August 26, 2014, NetScout and its legal and financial representatives had a call with Danaher and its legal representatives to discuss the then-current structure of the Communications Business.

Between August 27 and September 1, 2014, representatives of NetScout and representatives of Danaher participated in multiple telephone calls relating to business and legal due diligence matters.

On September 2 and September 3, 2014, representatives of NetScout, including Mr. Singhal, Ms. Bua and Mr. Levinson, and representatives of Danaher, including Mr. Lico, met in Boston to discuss NetScout's overall business and Danaher's Tektronix Communications business.

On September 3, 2014, Ms. Bua and other representatives of NetScout's finance team met separately in Boston with members of the senior finance teams of Danaher and Tektronix Communications to discuss various financial and accounting matters related to the Tektronix Communications business.

On September 4, 2014, Mr. Singhal, Ms. Bua, Mr. Levinson and other representatives of NetScout's finance and technology team met in Boston with members of the senior team from Danaher and Arbor Networks to discuss various business, technology and financial matters related to Danaher's Arbor Networks business.

On September 9, 2014, Danaher's board of directors received a further update from Danaher's management regarding the potential spin-off of the Communications Business and acquisition of such business by NetScout.

Also on September 9, 2014, NetScout's board of directors met and discussed the status of the proposed transaction and certain business terms.

On September 10 and September 11, 2014, members of each of the management teams of Danaher and NetScout held a meeting in Washington, D.C. in which Mr. Singhal, Ms. Bua and other representatives of NetScout's finance and technology team met with members of the senior management team from Danaher and Fluke Networks to discuss various business, technology and financial matters related to Danaher's Fluke Networks Enterprise business.

Also on September 11, 2014, Cooley delivered the first draft of the Merger Agreement to Skadden, legal counsel to Danaher.

Between September 12 and September 28, 2014, representatives of NetScout and Danaher, and their respective legal, accounting and financial advisors, held multiple telephone conferences to discuss business, legal and accounting due diligence relating to both NetScout and the Communications Business, including steps needed for the preparation of an audit of the financial statements of Newco and the Communications Business as of and for the three-year period ended December 31, 2013.

On September 23, 2014, representatives of NetScout and Danaher and their respective legal and financial advisors held a telephone conference to discuss the proposed steps in the reorganization and separation of the Communications



Business from Danaher. Skadden delivered the first draft of the Distribution Agreement to NetScout and its counsel. Skadden subsequently delivered a first draft of the Employee Matters Agreement and Tax Matters Agreement to NetScout and its counsel.

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On September 25, 2014, Mr. Singhal updated NetScout's board of directors as to the status of the proposed transaction and certain business due diligence matters.

Between September 25 and October 7, 2014, representatives of Cooley, Baker & McKenzie, NetScout's counsel on tax matters and ex-U.S. matters, and Wilson Sonsini, Goodrich & Rosati, NetScout's counsel on intellectual property matters, as well as other NetScout representatives, engaged in various negotiations about the terms of the Merger Agreement, the Distribution Agreement, the Employee Matters Agreement, the Tax Matters Agreement and other related transaction agreements with Skadden and other Danaher representatives. During this period, the parties identified but did not resolve a number of key items to be negotiated, including the precise calculation of the merger consideration (including whether and how such calculation would take into account the dilution to Danaher stockholders caused by shares issued, or equity awards granted, by NetScout between signing and closing), termination rights, termination fees, indemnification matters, an IRS private letter ruling, employee equity and employee benefit matters, the outside date by which the transactions must be consummated before NetScout and Danaher would have the right to terminate the Merger Agreement and the Distribution Agreement, and Danaher's request for a voting agreement from Mr. Singhal to vote his shares in favor of the issuance of shares of NetScout common stock in the proposed transaction. During this period, the parties also exchanged and negotiated the disclosure letters applicable to the Merger Agreement.

Between September 29 and October 6, 2014, Mr. Singhal and members of the senior management teams of Danaher and the Communications Business had several meetings to discuss business due diligence matters and certain terms of the transaction.

On October 8, 2014, NetScout's board of directors met with NetScout's senior management and legal and financial advisors and discussed the rationale for the proposed transaction, the attributes of each company that formed part of the Communications Business and certain financial projections which are summarized under "The Transactions' Certain Financial Forecasts Prepared by NetScout" and "The Transactions' Certain Financial Forecasts Prepared by Danaher."

On October 10, 2014, NetScout's board of directors met with NetScout's senior management and legal and financial advisors to consider the proposed transaction. Members of NetScout's management reviewed the strategic rationale for the proposed transaction, the progress of negotiations between the parties and the due diligence then conducted to date. Representatives of Cooley reviewed the principal terms of the Merger Agreement and discussed the unresolved issues. Also at this meeting, RBC Capital Markets reviewed financial aspects of the proposed transaction. NetScout's board of directors then directed management, with the assistance of NetScout's advisors, to continue negotiation of the remaining unresolved issues in the transaction.

Between October 11 and October 12, 2014, representatives of NetScout and Danaher, and their respective legal advisors, continued to negotiate the terms of the definitive documents providing for the Transactions. Key remaining issues that were resolved during that period included the precise manner for calculation of the exchange ratio, the circumstances under which a termination fee would be payable by NetScout, the size of the termination fee, closing conditions relating to the proposed IRS ruling, NetScout's termination rights associated with tax matters, structural matters relating to the Distribution being structured as a spin-off or split-off, certain indemnification matters and the remedy for potential differences between the unaudited financial statements of the Communications Business provided prior to the signing of definitive agreements and the audited financial statements of the Communications Business to be completed after execution of the definitive agreements (each as described in more detail in the section of this prospectus entitled "The Merger Agreement"). Final issues resolved during such time period included the negotiation of certain employee benefit matters and certain tax matters. Additionally, the parties completed their due diligence.

Following continued negotiations on October 11, 2014 and October 12, 2014, the parties finalized their negotiation of all the material terms of the definitive documents for the Transactions, and agreed to submit the Transactions for review and approval by their respective boards of directors.

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On October 12, 2014, NetScout's board of directors met, together with representatives of NetScout's senior management and legal and financial advisors, to review the final structure and terms of the Transactions. NetScout's legal advisors reviewed the principal terms of the Merger Agreement, the Distribution Agreement, the Employee Matters Agreement, the Tax Matters Agreement and other Transaction Documents. Also at this meeting, RBC Capital Markets reviewed with NetScout's board of directors its financial analysis of the merger consideration to be paid by NetScout in the First Merger and delivered to NetScout's board of directors an oral opinion, confirmed by delivery of a written opinion dated October 12, 2014, to the effect that, as of that date and based on and subject to the matters described in the opinion, the merger consideration to be paid by NetScout in the First Merger was fair, from a financial point of view, to NetScout. Following further discussion, and after careful consideration, the board of directors of NetScout unanimously approved the Mergers and the Transaction Documents (including the Merger Agreement) and determined that the Merger Agreement, the Mergers and the issuance of shares of NetScout common stock in accordance with the Merger Agreement are advisable and fair to, and in the best interests of, NetScout and its stockholders.

Also on October 12, 2014, the board of directors of Danaher met, together with representatives of management, to review the final structure and terms of the Transactions. Danaher's management provided information on the due diligence that Danaher conducted with respect to NetScout as well as the terms, structure and strategic rationale of the proposed transactions and the anticipated financial and business impact thereof with respect to Danaher. Following discussion, the board of directors of Danaher, by unanimous vote of all members present, determined that the Merger Agreement and the transactions were advisable and in the best interests of Danaher and its stockholders and approved the Merger Agreement, the Distribution Agreement, the Voting Agreement and the forms of the other transaction agreements and the transactions contemplated thereby.

Following their respective board meetings, NetScout, Danaher and Newco, as the case may be, then signed the Merger Agreement and the Distribution Agreement and Mr. Singhal and Danaher signed the Voting Agreement.

On October 13, 2014, before the opening of trading on NASDAQ and the NYSE, NetScout and Danaher issued press releases announcing the Transactions.

## **NetScout's Reasons for the Transactions**

In reaching 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, the board of directors of NetScout considered, among other things, the strategic and financial benefits that could be expected to be achieved by combining NetScout and the Communications Business relative to the future prospects of NetScout on a standalone basis, the relative actual results of operations and prospects of NetScout and of the Communications Business, as well as other strategic alternatives that may be available to NetScout, and the risks and uncertainties associated with the Transactions and with such alternatives.

In that process, 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:

*Enhanced Financial Performance.* The acquisition enables NetScout to grow from a revenue base of \$397 million in fiscal year 2014 and a projected revenue base of \$450 million to \$465 million in fiscal year 2015 to a combined non-GAAP annual revenue base of more than \$1.2 billion, with an expanded

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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's management believes that the combined company will be capable of growing revenue at an approximate compounded annual growth rate of 10 percent.

*Expanded Addressable Markets and Broader Customer Base.* The acquisition increases NetScout's addressable market and broadens both its service provider and enterprise customer base and accelerates its entry into the cyber security market and further enhances its capabilities in other sectors such as business intelligence. 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 market and further enhances its capabilities in the advanced analytics (business intelligence) market, in which such markets global spending was estimated by IDC to be over \$3 billion in 2013.

*Expansion of Service Provider Base.* The acquisition of the Tektronix Communications business, a leading provider of service provider network monitoring solutions, provides NetScout with broader access to service provider customers, extends its reach into the RAN portion of the network, offers complementary business intelligence analytics and gives NetScout greater ability to cross-sell solutions into NetScout's and Tektronix Communications' existing customer bases. Having a broader, more robust technology and operational platform enables NetScout to further differentiate the company against competitors in the market.

*Expansion of NetScout's Enterprise Customer Base.* The acquisition of portions of the Fluke Networks Enterprise business, a leading provider of network monitoring solutions, allows NetScout to expand into serving mid-tier and smaller enterprise customers and expand NetScout's enterprise product offerings in specialized areas such as software-as-a-service (SaaS) and cloud-based applications and WiFi monitoring.

*Extension into Adjacent Growth-Oriented Markets.* The acquisition of Arbor Networks, a leading provider of network cyber attack detection and mitigation solutions for service provider and enterprise networks, allows NetScout to immediately enter the cyber intelligence and cyber security market. Arbor Networks' offerings for distributed denial of service and advanced persistent protection are used by more than 300 service provider customers and a growing base of enterprise customers.

*Substantially Broader Portfolio of Best-in-Class Products.* NetScout will gain complementary, award-winning technologies, capabilities and offerings that can better position it to deliver high-value products and services for its existing and prospective enterprise and service provider customers and better position NetScout to compete for a broader range of strategic IT management opportunities in both the enterprise and service provider markets.

*Broader and More Diverse Geographic Footprint.* NetScout will expand its geographical footprint outside of North America through the Communications Business – existing customer accounts and through an extensive direct sales, support and service infrastructure, including value-added reseller relationships in key markets such as Southeast Asia, Australia, Japan, Europe and Latin America.

*Strong Research and Development Capabilities.* The combined company is expected to have more than 35% of the workforce composed of research and development personnel, and NetScout will be better positioned to address future technology trends, accelerate innovation, and improve its overall competitive position.

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**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. For a further description of expected cost synergies see Certain Financial Forecasts Prepared by NetScout Cost beginning on Page 153.

**Accretive Transaction** NetScout expects the Transactions to be accretive on a non-GAAP basis in the first full year of operations. NetScout expects that it will be able to leverage its purchasing power and expand its proven manufacturing techniques in ways that will improve product gross margins by a few percentage points over the next few years.

**Transaction Terms and Other Considerations** The board of directors of NetScout also considered the following facts about the Transactions and combined company:

the fact that the number of shares of common stock to be issued by NetScout is fixed and will not fluctuate based upon changes in the stock price of NetScout or Danaher prior to the completion of the First Merger;

the fact that the Merger Agreement and the aggregate consideration to be paid by NetScout pursuant to the Merger Agreement were the result of extensive arms-length negotiations between representatives of NetScout and of Danaher;

the fact that the aggregate consideration to be paid by NetScout is payable in NetScout common stock, enabling NetScout to increase its revenue over 2.5 times without depleting its cash resources and incurring debt, thereby preserving its future ability to use leverage to further the growth of its business;

the opinion, dated October 12, 2014, of 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 to be paid by NetScout in the First Merger, which opinion was based on and subject to the procedures followed, assumptions made, factors considered and limitations and qualifications on the review undertaken as more fully described under Opinion of NetScout's Financial Advisor ;

the fact that the board of directors of the combined company would be composed of all of the current directors of NetScout and one director from Danaher, expected to be James A. Lico, an Executive Vice President of Danaher;

the fact that the executive officers of the combined company would be composed of all of the current executive officers of NetScout, but with additional management talent to be gained from the acquired companies; and



the ability of the board of directors of NetScout under the Merger Agreement, 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.

The board of directors of NetScout considered the following risk factors but determined that the benefits of the proposed transaction substantially outweighed such risks:

the possibility that the increased revenues, earnings and efficiencies expected to result from the Transactions would fail to materialize;

the challenges inherent in fully and successfully separating the operations of the Communications Business from Danaher and integrating Newco into NetScout, given the size of the Communications Business relative to NetScout and its operations;

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the dilution of the ownership interests of NetScout's current stockholders that would result from the issuance of NetScout common stock in the First Merger;

the potential payment of termination fees that NetScout would be required to make in certain circumstances under the Merger Agreement;

the restrictions imposed on NetScout's ability to take certain corporate actions under the terms of the Tax Matters Agreement to be entered into by NetScout and Danaher, which could reduce its ability to engage in certain future business transactions that might be advantageous;

the risks inherent in requesting that the U.S. Federal Trade Commission and the U.S. Department of Justice allow the waiting period under the HSR Act to expire;

the requirement in the Merger Agreement that NetScout call and hold a vote of its stockholders to approve the issuance of the NetScout common stock in the First Merger even in circumstances where the board of directors of NetScout has withdrawn or adversely changed its recommendation to the NetScout stockholders;

the possibility that the Transactions may not be consummated and the potential adverse consequences, including substantial costs that would be incurred and potential damage to NetScout's reputation, if the Transactions are not completed; and

the other risks described above under the section entitled "Risk Factors" beginning on page 49.

The foregoing discussion of the information and factors considered by the board of directors of NetScout is not exhaustive, but includes the material factors considered by the board of directors of NetScout, including factors that support the Transactions as well as those that weigh against them. In view of the wide variety of factors considered by the board of directors of NetScout in connection with its evaluation of the Transactions and the complexity of these matters, the board of directors of NetScout did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. Rather, the board of directors of NetScout based its recommendation on the totality of the information presented to and considered by it. The board of directors of NetScout evaluated the factors described above with the assistance of NetScout's senior management and legal and financial advisors. In considering the factors described above, individual members of the board of directors of NetScout may have given different weights to other or different factors.

This explanation of the factors considered by the board of directors of NetScout is in part forward-looking in nature and, therefore, should be read in light of the factors discussed in the sections of this document entitled "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors."

After careful consideration, the board of directors of NetScout unanimously approved the Mergers and the Transaction Documents (including the Merger Agreement) and determined that the Merger Agreement, the Mergers and the issuance of shares of NetScout common stock in accordance with the Merger Agreement are advisable and fair to, and in the best interests of, NetScout and its stockholders.

**Opinion of NetScout's Financial Advisor**

NetScout has retained RBC Capital Markets to act as NetScout's financial advisor in connection with the Mergers. As part of this engagement, NetScout's board of directors requested that RBC Capital Markets evaluate the fairness, from a financial point of view, to NetScout of the merger consideration to be paid by NetScout in the First Merger. At an October 12, 2014 meeting of NetScout's board of directors held to evaluate the Mergers, RBC Capital Markets rendered to NetScout's board of directors an oral opinion, confirmed by delivery of a written opinion dated October 12, 2014, to the effect that, as of that date and based on and subject to the matters described in the opinion, the merger consideration to be paid by NetScout in the First Merger was fair, from a financial point of view, to NetScout. For purposes of RBC Capital Markets' analyses and opinion, the term

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merger consideration refers to the 62.5 million shares of NetScout common stock, in the aggregate, issuable in the First Merger. The full text of RBC Capital Markets' written opinion, dated October 12, 2014, is attached as Exhibit 99.7 to this prospectus and is incorporated in this document by reference. The written opinion sets forth, among other things, the procedures followed, assumptions made, factors considered and qualifications and limitations on the review undertaken by RBC Capital Markets in connection with its opinion. The following summary of RBC Capital Markets opinion is qualified in its entirety by reference to the full text of the opinion. **RBC Capital Markets delivered its opinion to NetScout's board of directors for the benefit, information and assistance of NetScout's board of directors (in its capacity as such) in connection with and for purposes of its evaluation of the Mergers. RBC Capital Markets' opinion addressed only the merger consideration from a financial point of view to NetScout and did not address any other aspect of the Mergers or any related transactions. RBC Capital Markets' opinion also did not address the underlying business decision of NetScout to engage in the Mergers or any related transactions or the relative merits of the Mergers or any related transactions compared to any alternative business strategy or transaction that might be available to NetScout or in which NetScout might engage. RBC Capital Markets does not express any opinion and does not make any recommendation to any stockholder as to how such stockholder should vote or act with respect to any proposal to be voted upon in connection with the Mergers or any related transactions.**

In connection with its opinion, RBC Capital Markets, among other things:

reviewed the financial terms of drafts, each dated October 12, 2014, of the Merger Agreement and Distribution Agreement;

reviewed certain publicly available financial and other information, and certain historical operating data, with respect to NetScout made available to RBC Capital Markets from published sources and internal records of NetScout;

reviewed certain publicly available financial and other information, and certain historical operating data, with respect to the Communications Business made available to RBC Capital Markets from published sources and internal records of Danaher;

reviewed publicly available financial projections and other estimates and data relating to NetScout for the fiscal years ended March 31, 2015 and March 31, 2016 as extrapolated thereafter by the management of NetScout and financial projections and other estimates and data relating to the Communications Business prepared by the management of Danaher for the fiscal year ended December 31, 2014 as adjusted and extrapolated thereafter by the management of NetScout, in each case which RBC Capital Markets was directed to utilize for purposes of its analyses;

conducted discussions with members of the senior managements of NetScout and Danaher with respect to the respective business prospects and financial outlook of NetScout and the Communications Business and also held discussions with the senior management of NetScout regarding the strategic rationale and potential cost savings and other benefits expected by such management to be realized in the Mergers and related transactions, which we collectively refer to as cost savings ;

reviewed the reported prices and trading activity for NetScout common stock;

compared certain financial metrics of NetScout and the Communications Business with those of selected publicly traded companies;

reviewed the potential pro forma financial impact of the Mergers on the future financial performance of NetScout after taking into account potential cost savings; and

considered other information and performed other studies and analyses as RBC Capital Markets deemed appropriate. RBC Capital Markets noted for the NetScout board of directors that it did not compare the financial terms of the Mergers to financial terms of other transactions given, in RBC Capital Markets' view, the limited comparability of such other transactions to the Mergers.

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In arriving at its opinion, RBC Capital Markets employed several analytical methodologies and no one method of analysis should be regarded as critical to the overall conclusion reached by RBC Capital Markets. Each analytical technique has inherent strengths and weaknesses, and the nature of the available information may further affect the value of particular techniques. The overall conclusion reached by RBC Capital Markets was based on all analyses and factors presented, taken as a whole, and also on application of RBC Capital Markets' experience and judgment. Such conclusion may have involved significant elements of subjective judgment and qualitative analysis. RBC Capital Markets therefore gave no opinion as to the value or merit standing alone of any one or more portions of such analyses or factors.

In rendering its opinion, RBC Capital Markets assumed and relied upon the accuracy and completeness of all information that was reviewed by RBC Capital Markets, including all of the financial, legal, tax, accounting, operating and other information provided to or discussed with RBC Capital Markets by or on behalf of NetScout or Danaher (including, without limitation, financial statements and related notes), and upon the assurances of the managements of NetScout and Danaher that they were not aware of any relevant information that was omitted or that remained undisclosed to RBC Capital Markets. RBC Capital Markets did not assume responsibility for independently verifying and it did not independently verify such information. RBC Capital Markets assumed that the publicly available financial projections and other estimates and data relating to NetScout (as extrapolated by the management of NetScout) and the financial projections and other estimates and data relating to the Communications Business (as adjusted and extrapolated by the management of NetScout) which RBC Capital Markets was directed to utilize in its analyses were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments as to the future financial performance of NetScout and the Communications Business and the other matters covered thereby and that the financial results reflected therein would be realized in the amounts and at the times projected. RBC Capital Markets also was advised that there were no audited financial statements relating to the Communications Business and RBC Capital Markets assumed that such audited financial statements, when delivered to NetScout in connection with the Mergers, would not reflect any information that would be meaningful to its analyses or opinion. RBC Capital Markets expressed no opinion as to any such financial projections and other estimates and data or the assumptions upon which they were based. RBC Capital Markets relied upon the assessments of the managements of NetScout and Danaher as to (i) the Transactions (other than the Mergers), including with respect to the timing thereof and assets, liabilities and financial and other terms involved, (ii) the potential impact on NetScout and the Communications Business of market and other trends and prospects for the technology industry, (iii) the products, technology and intellectual property of NetScout and the Communications Business, including the validity of, and risks associated with, such products, technology and intellectual property, (iv) the existing and future relationships, agreements and arrangements with, and NetScout's ability to retain, key employees and customers of NetScout and the Communications Business, and (v) NetScout's ability to integrate the Communications Business with the businesses and operations of NetScout. RBC Capital Markets assumed that there would be no developments with respect to any of the foregoing that would have an adverse effect on NetScout, the Communications Business, Newco, the Mergers or related transactions or that would otherwise be meaningful in any respect to its analyses or opinion. RBC Capital Markets also relied on estimates of the management of NetScout as to the capitalization of NetScout and Newco, including as to the number of fully diluted shares of NetScout common stock and Newco common units, as of the effective time of the First Merger, and RBC Capital Markets assumed that such number of shares or units, as the case may be, would not vary in any respect that would be meaningful to its analyses or opinion.

In rendering its opinion, RBC Capital Markets did not assume any responsibility to perform, and it did not perform, an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of NetScout, the Communications Business or any other entity (including Newco) or business, and RBC Capital Markets was not furnished with any such valuations or appraisals. RBC Capital Markets did not assume any obligation to conduct, and it did not conduct, any physical inspection of the property or facilities of NetScout, the Communications Business or any other entity or business. RBC Capital Markets assumed that the Mergers and related transactions would be

consummated in accordance with the terms of the Merger Agreement and Distribution Agreement and all applicable laws and other requirements, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary

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regulatory or third party approvals, consents and releases for the Mergers and related transactions, no delay, limitation, restriction or condition would be imposed, including any divestiture or other requirements, that would have an adverse effect on NetScout, the Communications Business, Newco, the Mergers or related transactions (including the contemplated benefits thereof). RBC Capital Markets also assumed that the Mergers and related transactions would have the tax treatment as set forth in the Merger Agreement and the Distribution Agreement, including that the First Merger and the Second Merger would be treated as a single integrated transaction and would together qualify as a tax-free reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended. RBC Capital Markets further assumed that Newco would retain or acquire all assets, properties and rights necessary for the operations of the Communications Business, that appropriate reserves, indemnification arrangements or other provisions had been made with respect to the liabilities of or relating to the Communications Business and that NetScout would not directly or indirectly assume or incur any liabilities that were contemplated to be excluded as a result of the Mergers, the related transactions or otherwise. In addition, RBC Capital Markets assumed that the final executed Merger Agreement and Distribution Agreement would not differ, in any respect meaningful to its analyses or opinion, from the drafts of the Merger Agreement and Distribution Agreement reviewed by RBC Capital Markets.

RBC Capital Markets' opinion spoke only as of the date of its opinion, was based on conditions as they existed and information which RBC Capital Markets was supplied as of the date of its opinion, and was without regard to any market, economic, financial, legal or other circumstances or events of any kind or nature which may exist or occur after such date. RBC Capital Markets did not undertake to reaffirm or revise its opinion or otherwise comment upon events occurring after the date of its opinion and did not have an obligation to update, revise or reaffirm its opinion. RBC Capital Markets' opinion related to the relative values of NetScout and the Communications Business. RBC Capital Markets did not express any opinion as to what the value of NetScout common stock actually would be when issued in connection with the Mergers or the prices or range of prices at which NetScout common stock may trade or otherwise be transferable at any time, whether prior to or following the Mergers and related transactions.

RBC Capital Markets' opinion addressed only the fairness, from a financial point of view and as of the date of its opinion, of the merger consideration (to the extent expressly specified in its opinion) to NetScout. RBC Capital Markets' opinion did not in any way address any other terms, conditions, implications or other aspects of the Mergers, the related transactions, the Merger Agreement, the Distribution Agreement or any related agreements, or any adjustment payment or other agreement, arrangement or understanding to be entered into in connection with or contemplated by the Mergers, the related transactions or otherwise. RBC Capital Markets did not evaluate the solvency or fair value of NetScout, Danaher, the Communications Business or any other entity (including Newco) or business under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. RBC Capital Markets did not express any opinion as to any legal, regulatory, tax or accounting matters, as to which RBC Capital Markets understood that NetScout obtained such advice as it deemed necessary from qualified professionals. Further, in rendering its opinion, RBC Capital Markets did not express any view on, and its opinion did not address, the fairness of the amount or nature of the compensation (if any) to any officers, directors or employees of any party, or class of such persons, relative to the merger consideration or otherwise.

The issuance of RBC Capital Markets' opinion was approved by RBC Capital Markets' fairness opinion committee. Except as described in this summary, NetScout imposed no other instructions or limitations on the investigations made or procedures followed by RBC Capital Markets in rendering its opinion.

In preparing its opinion to NetScout's board of directors, RBC Capital Markets performed various financial and comparative analyses, including those described below. The summary below of RBC Capital Markets' material financial analyses provided to NetScout's board of directors in connection with RBC Capital Markets' opinion is not a comprehensive description of all analyses undertaken or factors considered by RBC Capital Markets in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various



determinations as to the most appropriate and relevant methods of financial analysis and the

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application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description.

In performing its analyses, RBC Capital Markets considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of NetScout and Danaher. The estimates of the future performance of NetScout and the Communications Business in or underlying RBC Capital Markets' analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by RBC Capital Markets' analyses. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or acquired or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described below are inherently subject to substantial uncertainty and should not be taken as RBC Capital Markets' view of the actual value of NetScout or the Communications Business.

The merger consideration to be paid by NetScout in the First Merger was determined through negotiations between NetScout and Danaher and was approved by NetScout's board of directors. The decision to enter into the Merger Agreement and Distribution Agreement was solely that of NetScout's board of directors. RBC Capital Markets' opinion and analyses were only one of many factors considered by NetScout's board of directors in its evaluation of the Mergers and should not be viewed as determinative of the views of NetScout's board of directors, management or any other party with respect to the Mergers or related transactions or the consideration payable in the Mergers or related transactions.

The following is a brief summary of the material financial analyses provided by RBC Capital Markets to NetScout's board of directors in connection with RBC Capital Markets' opinion, dated October 12, 2014. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by RBC Capital Markets, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Selecting portions of RBC Capital Markets' financial analyses or factors considered or focusing on the data set forth in the tables below without considering all analyses or factors or the full narrative description of such analyses or factors, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of RBC Capital Markets' financial analyses.**

*Introduction.* In its analysis of the merger consideration from a financial point of view to NetScout, RBC Capital Markets performed various financial analyses, as more fully described below. Utilizing selected public companies and discounted cash flow analyses, RBC Capital Markets calculated implied enterprise value reference ranges for the Communications Business and implied per share equity value reference ranges for NetScout. RBC Capital Markets then calculated implied reference ranges of the aggregate number of shares of NetScout common stock issuable in the First Merger, referred to as implied issuable shares, based on the implied enterprise value and per share equity value reference ranges derived from these analyses, by (i) in the case of the low-end of such implied reference ranges, dividing the low-end of the implied enterprise value reference ranges for the Communications Business by the high-end of the implied per share equity value reference ranges for NetScout and (ii) in the case of the high-end of such implied reference ranges, dividing the high-end of the implied enterprise value reference ranges for the Communications Business by the low-end of the implied per share equity value reference ranges for NetScout. RBC Capital Markets also performed a pro forma contribution analysis to derive a range of implied issuable shares based on the relative contributions of NetScout and the Communications Business to various financial metrics of the pro forma combined company.

Financial data utilized for NetScout in the financial analyses described below was based on publicly available financial projections and other estimates and data relating to NetScout on a non-GAAP basis for the fiscal years ended

March 31, 2015 and March 31, 2016 as extrapolated thereafter by the management of NetScout, which we refer to as the NetScout forecasts, and financial data utilized for the Communications Business in such financial analyses was based on financial projections and other estimates and data relating to the

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Communications Business prepared by the management of Danaher on a non-GAAP basis for the fiscal year ended December 31, 2014 as adjusted and extrapolated thereafter by the management of NetScout, which we refer to as the Communications Business forecasts. At the direction of the management of NetScout, RBC Capital Markets assumed, for purposes of its analyses and opinion, that no shares of NetScout common stock would be issued in connection with any acquisition effected as permitted by the terms of the Merger Agreement and, accordingly, RBC Capital Markets evaluated the aggregate number of shares of NetScout common stock issuable in the First Merger on the basis of 62.5 million shares.

*Selected Public Companies Analyses.* RBC Capital Markets performed selected public companies analyses of NetScout and the Communications Business in which RBC Capital Markets reviewed certain financial and stock market information of NetScout, certain financial information of the Communications Business and certain financial and stock market information of selected companies that RBC Capital Markets considered, in its professional judgment, generally relevant for comparative purposes. Financial data of the selected companies were based on publicly available research analysts' estimates, public filings and other publicly available information. Financial data of NetScout was based on public filings and the NetScout forecasts (with such data calendarized as necessary) and financial data of the Communications Business was based on public filings and the Communications Business forecasts.

In its selected public companies analysis of NetScout, RBC Capital Markets reviewed, among other things, enterprise values, calculated as equity values based on closing stock prices on October 10, 2014 plus debt and less cash and cash equivalents and short-term and long-term investments, as a multiple of calendar year 2014 and calendar year 2015 estimated unlevered net income and also reviewed equity values, based on closing stock prices on October 10, 2014, as a multiple of calendar year 2014 and calendar year 2015 estimated earnings per share, which we refer to as EPS, of NetScout and the following seven selected companies in the network monitoring and management industry, which we refer to as the selected network monitoring companies, and the following two selected companies in the systems management industry, which we refer to as the selected systems management companies (we collectively refer to the selected network monitoring companies and the selected systems management companies as the selected companies):

**Network Monitoring and Management:**

Allot Communications Ltd.

EXFO Inc.

Gigamon Inc.

Ixia

JDS Uniphase Corporation

Riverbed Technology, Inc.

Spirent Communications Plc.

**Systems Management:**

Citrix Systems, Inc.

SolarWinds, Inc.

The overall low to high calendar year 2014 and calendar year 2015 estimated unlevered net income multiples observed for the selected companies were 15.5x to 34.9x (with a median of 19.7x for the selected network monitoring companies and a median of 20.7x for the selected systems management companies) in the case of calendar year 2014 and 10.7x to 18.8x (with a median of 12.7x for the selected network monitoring companies and a median of 17.9x for the selected systems management companies) in the case of calendar year 2015. The overall low to high calendar year 2014 and calendar year 2015 estimated EPS multiples observed for the selected companies were 15.7x to 33.4x (with

a median of 22.3x for the selected network monitoring companies and a median of 22.1x for the selected systems management companies) in the case of calendar year 2014 and 14.0x to 20.5x (with a median of 15.5x for the selected network monitoring companies and a median of 19.1x for the selected systems management companies) in the case of calendar year 2015. RBC Capital Markets

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noted that, based on NetScout's closing stock price on October 10, 2014, calendar year 2014 and calendar year 2015 estimated unlevered net income multiples observed for NetScout were 21.2x and 18.2x, respectively, and calendar year 2014 and calendar year 2015 estimated EPS multiples observed for NetScout were 24.4x and 20.9x, respectively. In deriving implied per share equity value reference ranges for NetScout, RBC Capital Markets then applied the overall low to high calendar year 2014 and calendar year 2015 estimated unlevered net income multiples and calendar year 2014 and calendar year 2015 estimated EPS multiples observed for the selected companies to corresponding data of NetScout. This analysis indicated approximate implied per share equity value reference ranges for NetScout based on calendar year 2014 and calendar year 2015 estimated unlevered net income multiples of \$32.07 to \$65.35 and \$26.92 to \$43.15, respectively, and based on calendar year 2014 and calendar year 2015 estimated EPS multiples of \$27.05 to \$57.55 and \$28.21 to \$41.30, respectively.

With respect to the Communications Business, RBC Capital Markets performed a sum-of-the-parts selected public companies analysis of the Tektronix Communications and Arbor Networks businesses and certain parts of Fluke Networks comprising the Communications Business to be acquired in the First Merger. In evaluating the Tektronix Communications business and certain parts of Fluke Networks, RBC Capital Markets reviewed, among other things, enterprise values as a multiple of calendar year 2014 and calendar year 2015 estimated unlevered net income of NetScout and the same selected network monitoring companies and selected systems management companies reviewed for the selected public companies analysis of NetScout. In evaluating the Arbor Networks business, RBC Capital Markets reviewed, among other things, enterprise values as a multiple of calendar year 2014 and calendar year 2015 estimated revenue of the following five selected companies in the network security industry, which we refer to as the selected network security companies (we collectively refer to the selected companies and the selected network security companies as the Communications Business selected companies):

A10 Networks, Inc.

Barracuda Networks, Inc.

F5 Networks, Inc.

Fortinet, Inc.

Radware Ltd.

The overall low to high calendar year 2014 and calendar year 2015 estimated unlevered net income multiples observed for the selected companies, as noted above, were 15.5x to 34.9x (with a median of 19.7x for the selected network monitoring companies and a median of 20.7x for the selected systems management companies) in the case of calendar year 2014 and 10.7x to 18.8x (with a median of 12.7x for the selected network monitoring companies and a median of 17.9x for the selected systems management companies) in the case of calendar year 2015. Calendar year 2014 and calendar year 2015 estimated unlevered net income multiples observed for NetScout, as noted above, were 21.2x and 18.2x, respectively. The overall low to high calendar year 2014 and calendar year 2015 estimated revenue multiples observed for the selected network security companies were 0.8x to 4.9x (with a median of 3.9x) in the case of calendar year 2014 and 0.7x to 4.2x (with a median of 3.4x) in the case of calendar year 2015. In deriving implied enterprise value reference ranges for the Communications Business, RBC Capital Markets then applied the overall

low to high calendar year 2014 and calendar year 2015 estimated unlevered net income multiples observed for NetScout and the other selected companies to corresponding data of the Tektronix Communications business and certain parts of Fluke Networks to be acquired in the First Merger and the overall low to high calendar year 2014 and calendar year 2015 estimated revenue multiples observed for the selected network security companies to corresponding data of the Arbor Networks business. This analysis indicated approximate aggregate implied enterprise value reference ranges for the Communications Business based on calendar year 2014 estimated unlevered net income and calendar year 2014 estimated revenue multiples of \$1.455 billion to \$3.850 billion and based on calendar year 2015 estimated unlevered net income and calendar year 2015 estimated revenue multiples of \$1.127 billion to \$2.634 billion.

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Utilizing the approximate implied per share equity value reference ranges derived for NetScout based on the calendar year 2014 and calendar year 2015 estimated unlevered net income multiples described above and the approximate aggregate implied enterprise value reference ranges derived for the Communications Business described above, RBC Capital Markets calculated the following approximate ranges of implied issuable shares, as compared to the merger consideration to be paid by NetScout in the First Merger:

<b>Ranges of Implied Issuable Shares Based On:</b>				
<b>2014E Unlevered</b>		<b>2015E Unlevered</b>		
<b>Net Income and 2014E Revenue</b>		<b>Net Income and 2015E Revenue</b>		<b>Merger Consideration</b>
22.0 million	119.8 million	25.8 million	97.6 million	62.5 million

In addition, RBC Capital Markets noted that the corresponding approximate implied issuable shares would be 22.3 million to 120.1 million shares (based on calendar year 2014 estimated unlevered net income and 2014 estimated revenue) and 26.1 million to 97.9 million shares (based on calendar year 2015 estimated unlevered net income and 2015 estimated revenue) as compared to 62.8 million shares of NetScout common stock issuable in the First Merger, on a fully-diluted basis.

No company or business used in these analyses is identical to NetScout or the Communications Business. Accordingly, an evaluation of the results of these analyses is not entirely mathematical. Rather, these analyses involve complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies or businesses to which NetScout and the Communications Business were compared.

*Discounted Cash Flow Analyses.* RBC Capital Markets performed separate discounted cash flow analyses of NetScout and the Communications Business by calculating the estimated present value of the standalone unlevered, after-tax free cash flows that NetScout was forecasted to generate during the fiscal years ending March 31, 2015 through March 31, 2020 based on the NetScout forecasts, and the estimated present value of the standalone unlevered, after-tax free cash flows that the Communications Business was forecasted to generate during the fiscal years ending December 31, 2014 through December 31, 2019 based on the Communications Business forecasts. RBC Capital Markets calculated terminal values for NetScout and the Communications Business by applying to NetScout's and the Communications Business' respective terminal year estimated unlevered, after-tax free cash flows a range of perpetuity growth rates of 2.5% to 4.5% in the case of NetScout and 2.0% to 4.0% in the case of the Communications Business. The unlevered, after-tax free cash flows and terminal values were then discounted to present value (as of October 10, 2014) using discount rates ranging from 10% to 11% derived from a weighted average cost of capital calculation. This analysis indicated an approximate implied per share equity value reference range for NetScout of \$39.94 to \$55.19 and an approximate implied enterprise value reference range for the Communications Business of \$1.962 billion to \$2.768 billion.

Utilizing the approximate implied per share equity value reference range derived for NetScout common stock and the approximate implied enterprise value reference range derived for the Communications Business described above, RBC Capital Markets calculated the following approximate range of implied issuable shares, as compared to the merger consideration to be paid by NetScout in the First Merger:

<b>Range of Implied Issuable Shares</b>	<b>Merger Consideration</b>
35.3 million 69.0 million	62.5 million



In addition, RBC Capital Markets noted that the corresponding approximate implied issuable shares would be 35.5 million to 69.3 million shares as compared to 62.8 million shares of NetScout common stock issuable in the First Merger, on a fully-diluted basis.

*Relative Contribution Analysis.* RBC Capital Markets performed a relative contribution analysis of NetScout and the Communications Business in which RBC Capital Markets reviewed the relative contributions of

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NetScout and the Communications Business to the combined company's calendar year 2014 and calendar year 2015 estimated revenue, earnings before interest, taxes, depreciation and amortization, which we refer to as EBITDA, unlevered net income and net income. Financial data of NetScout was based on the NetScout forecasts (with such data calendarized as necessary) and financial data of the Communications Business was based on the Communications Business forecasts. This analysis indicated overall relative contributions by NetScout of approximately 35.6% to 40.9% and by the Communications Business of approximately 59.1% to 64.4% to the combined company's calendar year 2014 and calendar year 2015 estimated revenue, EBITDA, unlevered net income and net income.

Utilizing the overall relative contributions of NetScout and the Communications Business to the combined company described above, RBC Capital Markets calculated the following approximate range of implied issuable shares, as compared to the merger consideration to be paid by NetScout in the First Merger:

<b>Range of Implied Issuable Shares</b>	<b>Merger Consideration</b>
53.4 million - 67.0 million	62.5 million

In addition, RBC Capital Markets noted that, based on the merger consideration, the implied pro forma ownership in the combined company, upon consummation of the Transactions, of (i) NetScout equityholders and (ii) pre-First Merger holders of Newco common units and Newco Employees would be approximately 40.5% and 59.5%, respectively on a fully diluted basis. RBC Capital Markets also noted that the corresponding approximate implied issuable shares would be 53.7 million to 67.3 million shares as compared to 62.8 million shares of NetScout common stock issuable in the First Merger, on a fully-diluted basis.

*Additional Information.* RBC Capital Markets observed certain additional information that was not considered part of RBC Capital Markets' financial analyses with respect to its opinion but was referenced for informational purposes, including, among other things, the following:

historical trading performance of NetScout common stock during the 52-week period ended October 10, 2014, which reflected low to high closing prices for NetScout common stock during such period of \$24.83 to \$47.33 per share, as compared to the closing price of NetScout common stock on October 10, 2014 of \$41.91 per share;

publicly available research analysts' stock price targets for NetScout common stock, which indicated standalone stock price targets for NetScout common stock discounted to present value utilizing a discount rate of 15% based on NetScout's cost of equity of approximately \$29.57 per share to \$46.96, as compared to the closing price of NetScout common stock on October 10, 2014 of \$41.91 per share; and

potential pro forma financial effects of the Mergers, both before and after giving effect to potential cost savings, on, among other things, the combined company's estimated non-GAAP EPS relative to NetScout's standalone estimated EPS based on the NetScout forecasts and the Communications Business forecasts, which indicated that the Mergers could be accretive to NetScout's standalone estimated EPS before giving effect to potential cost savings by approximately 0.9% and after giving effect to potential cost savings by approximately 11.9%. The actual results achieved by the combined company may vary from forecasted results and the variations may be material.

*Miscellaneous*

In connection with RBC Capital Markets' services as NetScout's financial advisor, NetScout has agreed to pay RBC Capital Markets an aggregate fee of \$11 million, a portion of which was payable upon delivery of RBC Capital Markets' opinion and \$9.5 million of which is contingent upon consummation of the Mergers. NetScout also has agreed to reimburse RBC Capital Markets for expenses reasonably incurred in connection with RBC Capital Markets' services and to indemnify RBC Capital Markets and related persons against certain liabilities, including liabilities under the federal securities laws, arising out of RBC Capital Markets' engagement.

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RBC Capital Markets and its affiliates had not provided investment banking or financial advisory services to NetScout or Danaher for which compensation was received during the two-year period prior to delivery by RBC Capital Markets of its opinion to NetScout's board of directors in connection with the Mergers. RBC Capital Markets and certain of its affiliates in the future may provide investment banking and financial advisory services to NetScout and Danaher, for which services RBC Capital Markets and such affiliates may receive compensation.

RBC Capital Markets, as part of its investment banking services, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, corporate restructurings, underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the ordinary course of business, RBC Capital Markets or one or more of its affiliates may act as a market maker and broker in the publicly traded securities of NetScout, Danaher and/or any other company that may be involved in the Mergers and related transactions and receive customary compensation in connection therewith, and may also actively trade securities of NetScout, Danaher and any other company that may be involved in the Mergers and related transactions or their respective affiliates for RBC Capital Markets or its affiliates' account and the accounts of RBC Capital Markets or its affiliates' customers and, accordingly, RBC Capital Markets and its affiliates may hold a long or short position in such securities.

RBC Capital Markets is an internationally recognized investment banking firm which is regularly engaged in providing financial advisory services in connection with mergers and acquisitions. NetScout selected RBC Capital Markets to act as its financial advisor in connection with the Mergers on the basis of RBC Capital Markets' experience in similar transactions and its reputation in the investment community.

## **Certain Financial Forecasts Prepared by NetScout**

### ***Financial Projections***

Neither NetScout nor Danaher, as a matter of course, make public any long-term projections as to future revenues, earnings or other results due to the inherent unpredictability and subjectivity of underlying assumptions and estimates. However, as part of the consideration of the Transactions, Danaher provided unaudited annual results of operations of its Communications Business in calendar year 2011, 2012 and 2013 and preliminary projections for calendar year 2014 and a revenue projection for 2015 that were then-adjusted by NetScout's management to reflect \$25 million in annualized expense savings as a result of anticipated restructuring activities beginning in the fourth quarter of 2014. After delivery of its preliminary projections to NetScout for 2014, Danaher subsequently lowered its projections for the Communications Business revenue for calendar year 2014 and NetScout reduced the projected revenue of the Communications Business in 2014 by four percent, which is reflected in the projections. After delivery of its revenue projection for 2015, Danaher communicated to NetScout uncertainty about carrier capital expenditures in fiscal year 2015, which could result in a 2015 revenue forecast for the Communications Business of less than its prior forecast of \$891 million. NetScout's own 2015 revenue forecast for the Communications Business was lower than the Danaher forecast and NetScout did not believe that a further adjustment to the 2015 revenue projection was necessary. These projections are discussed further below.

NetScout's management prepared financial projections for the Communications Business, as a standalone company, for calendar years 2015 through 2019 by extrapolating results from 2013 and 2014 and making certain assumptions about revenue, potential investments required, operating margin and operating expense growth. Historically, NetScout has publicly provided financial guidance to the investment community for the fiscal year in which it is operating as it relates to key metrics such as revenue and earnings per share, but it does not publicly offer specific long-term guidance on any such metrics. In connection with the Transactions, NetScout prepared financial projections for its existing business, assuming no business combinations or acquisitions, based on consensus Wall Street estimates for

fiscal years 2015 and 2016, and by extrapolating those Wall Street estimates for fiscal years 2017 through 2020. The projections do not give pro forma effect to the combination of the Communications Business and NetScout. NetScout's future financial results and those of the Communications

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Business may materially differ from those expressed in the projections due to factors that are beyond NetScout's ability to control or predict. NetScout cannot assure you that any of these projections will be realized or that its future financial results will not materially vary from the plans and projections. **In particular, these projections should not be utilized as public guidance.**

NetScout's financial projections for the Communications Business and for NetScout's existing business without giving effect to the Transactions were prepared in advance of the NetScout board's consideration of the Transactions in October 2014 and have not been updated to reflect the actual results of either business since the date of the projections or to reflect any developments or trends that might impact the future results of these businesses.

The financial projections were not prepared with a view toward public disclosure, or with a view toward compliance with published guidelines of the SEC regarding projections, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, or GAAP. The NetScout prospective financial information included in this prospectus has been prepared by, and is the responsibility, of NetScout's management. Neither NetScout's independent registered public accounting firm, nor Danaher's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the prospective financial information included below, or expressed any opinion or any other form of assurance with respect thereto or the achievability of the results reflected in such projections, and none of the foregoing assumes any responsibility for such projections. The PricewaterhouseCoopers LLP reports incorporated by reference in this filing relate to NetScout's historical financial statements. They do not extend to these projections or any other prospective financial information and should not be read to do so.

NetScout stockholders are urged to review "Risk Factors" beginning on page 49 of this document for a description of risk factors relating to the combination of the Communications Business with NetScout's business and risk factors relating to the Communications Business and NetScout's most recent SEC filings for a description of risk factors with respect to NetScout's businesses. You should also read the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 59 of the document for additional information regarding the risks inherent in forward-looking information such as the financial projections.

The inclusion of projections below should not be deemed an admission or representation by NetScout, Danaher or any of their respective officers, directors, affiliates, advisors or other representatives with respect to such projections. The projections included below are not included to influence your views on the Transactions described in this document but to provide access to certain non-public information that was provided to NetScout's board of directors in connection with its evaluation of the Transactions. The financial projections were also provided to NetScout's financial advisor, RBC Capital Markets, for use in connection with its financial analyses and opinion described in the section entitled "Opinion of NetScout's Financial Advisor." The information from the projections included below should be evaluated, if at all, in conjunction with the historical financial statements and other information regarding NetScout contained in this document and in NetScout's public filings with the SEC. **In light of the foregoing factors and the uncertainties inherent in its financial projections, stockholders are cautioned not to place undue, if any, reliance on these projections.**

Certain of the financial projections set forth herein, including adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) and adjusted earnings before interest, taxes and amortization (adjusted EBITA), are non-GAAP measures, which means they are financial measures not presented or calculated in accordance with GAAP. Other items excluded from these non-GAAP metrics include share-based compensation, amortization of acquired intangible assets, compensation for post-combination services, and other costs that do not require a cash outlay, or are not otherwise expected to recur in the ordinary course or under the combined company's operation. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in

compliance with GAAP, and non-GAAP financial measures as used by the Communications Business or NetScout may not be comparable to similarly titled amounts used by other companies.

**Table of Contents*****Near-Term Projections: Relative Contributions***

The projections below were used by NetScout's board of directors in October 2014 to assess the relative contributions of NetScout and the Communications Business to the combined company to be created through the Transactions. As reflected by these near-term projections, NetScout believes the contributions of both NetScout and the Communications Business support Danaher's stockholders and Newco Employees receiving approximately 59.5% percent of the equity of the combined company and NetScout's equityholders retaining approximately 40.5% percent of the equity of the combined company. NetScout's management believes the near-term projections are relevant as they related to analyzing the respective standalone contributions of each business at the time the Transactions were considered by NetScout's board of directors.

**Danaher Communications CY2014 and CY2015 Projections, and NetScout Systems FY2015 and FY2015 Projections**

	<b>Danaher Communications Business Calendar Year Ended December 31,</b>		<b>NetScout Systems, Inc. Fiscal Year Ended March 31,</b>	
	<b>2014E</b>	<b>% of combined company</b>	<b>2015E<sup>1</sup></b>	<b>% of combined company</b>
Revenue	\$ 804	64%	\$ 460	36%
Adjusted EBITDA	\$ 190	58%	\$ 136	42%
Adjusted EBITA	\$ 176	59%	\$ 123	41%
Tax-Effectuated Adjusted EBITA <sup>2</sup>	\$ 112	59%	\$ 77	41%

	<b>Danaher Communications Business Calendar Year Ended December 31,</b>		<b>NetScout Systems, Inc. Fiscal Year Ended March 31,</b>	
	<b>2015E</b>	<b>% of combined company</b>	<b>2016E<sup>1</sup></b>	<b>% of combined company</b>
Revenue	\$ 860	62%	\$ 520	38%
Adjusted EBITDA	\$ 220	58%	\$ 157	42%
Adjusted EBITA	\$ 204	59%	\$ 143	41%
Tax-Effectuated Adjusted EBITA <sup>2</sup>	\$ 129	59%	\$ 89	41%

<sup>1</sup> NetScout fiscal year 2015 and 2016 estimates reflect consensus Wall Street Estimates as of 10/10/14.

<sup>2</sup> NetScout effective tax rate of 38.0%, Danaher Communications Business effective rate of 36.6%.

Note: The sum of certain amounts may not total due to rounding.

***Long-Term Projections: Discounted Cash Flows***



NetScout's management believes the long-term projections are primarily relevant to NetScout's board of directors' evaluation of the discounted cash flow analyses of the Communications Business on a standalone basis and NetScout on a standalone basis.

Both the NetScout projections for the Communications Business and NetScout as standalone businesses reflect numerous estimates and assumptions with respect to general business, economic, competitive, market and financial conditions and other future events, as well as matters specific to the respective businesses. These projections have not been updated to reflect revised prospects for its business, changes in general business, economic, regulatory, market and financial conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the projections were prepared. The projections for the Communications Business assume revenue growth of approximately 7% for all of the Communications Business for calendar years 2015 through 2019, although the Tektronix Communications, Arbor Networks and the acquired portions of Fluke Networks Enterprise business lines grow at differing rates within the period and assume that gross margin and operating expense as percentages of revenue remain relatively stable throughout the period. The NetScout projections assume overall revenue growth of approximately 10% at differing rates for fiscal years 2016 through 2020, with the assumption that non-GAAP gross margin and operating expense as percentages of revenue remain relatively stable throughout the period.

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Additionally, while the long-term projections focus on the income statement results, the standalone revenue growth assumptions reflected in the financial projections for both the Communications Business and NetScout assume that both NetScout and the Communications Business would make certain investments and/or acquire technology required to successfully launch new or enhanced products, accelerate entry into adjacent market sectors, and drive further customer adoption in key geographic or vertical markets in order to drive the organic and inorganic revenue growth reflected in the assumptions. The acquisition of the Communications Business by NetScout makes those investments and technology acquisitions largely unnecessary and therefore the standalone projections for each company, which were prepared prior to this acquisition, are not an appropriate basis for accurate projections for the combined company.

The table below presents certain financial metrics reflected in the financial projections for the Communications Business and NetScout on a standalone basis prepared by NetScout's management.

**Long-Term Projections for Danaher Communications Business and NetScout Systems****Danaher Communications Business****Projections**

(\$ in millions unless stated otherwise)

	Calendar Year Ending December 31,					Compound Annual Growth Rate <sup>2</sup>
	2015E	2016E	2017E	2018E	2019E	
Revenue	\$ 860	\$ 922	\$ 989	\$ 1,063	\$ 1,142	7%
Adjusted EBITDA	\$ 220	\$ 237	\$ 256	\$ 277	\$ 300	8%
Adjusted EBITA	\$ 204	\$ 220	\$ 238	\$ 258	\$ 279	8%
Tax-Effectuated Adjusted EBITA <sup>1</sup>	\$ 129	\$ 140	\$ 151	\$ 163	\$ 177	8%

**NetScout Systems****Projections**

(\$ in millions unless stated otherwise)

	Fiscal Year Ending March 31,					Compound Annual Growth Rate <sup>2</sup>
	2016E	2017E	2018E	2019E	2020E	
Revenue	\$ 520	\$ 577	\$ 641	\$ 705	\$ 768	10%
Adjusted EBITDA	\$ 157	\$ 175	\$ 194	\$ 213	\$ 233	10%
Adjusted EBITA	\$ 143	\$ 159	\$ 177	\$ 194	\$ 212	10%
Tax-Effectuated Adjusted EBITA <sup>1</sup>	\$ 89	\$ 99	\$ 110	\$ 120	\$ 131	10%

<sup>1</sup> NetScout effective tax rate of 38.0%, Danaher Communications Business effective rate of 36.6%.

<sup>2</sup> Defined as the average year-over-year growth rate over the four-year period.

Note: The sum of certain amounts may not total due to rounding.

As part of the long-term financial projections, NetScout's management calculated unlevered free cash flow defined as EBIT plus depreciation and amortization expense less capital expenditures and taxes, as well as net changes in working capital, for each of the Communications Business and NetScout on a standalone basis. Unlevered free cash flow differs from the non-GAAP free cash flow that NetScout publicly discloses on a quarterly basis.

Key assumptions for the Communications Business projections included: depreciation expense of \$14 million, \$16 million, \$17 million, \$18 million, \$19 million and \$21 million in calendar years 2014 through 2019 with a terminal value of \$23 million (thereby resulting in a terminal value for adjusted EBITA and tax-effected adjusted EBITA of \$277 million and \$176 million), respectively; a consistent tax rate of 36.6%; capital expenditures of \$16 million will increase by \$1 million annually for the next four years and then increase by another \$2 million in calendar year 2019; and negative changes in working capital of \$15 million in calendar year 2014 will become positive \$14 million in calendar year 2015, decline to positive \$11 million in calendar year 2016, increase to positive \$13 million in calendar year 2017, increase to positive \$14 million in calendar year 2018 and finally increase to positive \$16 million in calendar year 2019. Accordingly, unlevered free cash flow for the Communications Business is projected as \$94 million, \$142 million, \$149 million, \$162 million, \$176 million, and \$191 million for calendar years 2014 through 2019, respectively, with a terminal value of \$192 million.

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Key assumptions for the NetScout projections included: depreciation expense of \$13 million, \$14 million, \$16 million, \$17 million, \$19 million and \$21 million in fiscal years 2015 through 2020, respectively; a consistent tax rate of 38.0%; capital expenditures in fiscal year 2015 of \$14 million will increase by \$2 million annually thereafter; and that positive changes in working capital of \$14 million in fiscal year 2015 will decline to a positive \$8 million per year for the next three years, increase slightly to \$9 million in fiscal year 2019 and return to \$8 million thereafter. Unlevered free cash flow for NetScout is projected at \$89 million, \$95 million, \$104 million, \$116 million, \$126 million, and \$137 million for fiscal years 2015 through 2020, respectively, with a terminal value of \$138 million.

Below is a reconciliation of NetScout's projected non-GAAP adjusted EBITDA with operating income. Reconciliations of the Communications Business non-GAAP metrics to the most applicable GAAP metric were not prepared because no such reconciliation is available without unreasonable efforts.

(\$ in millions unless stated otherwise)

	Fiscal Year Ending March 31,					
	2015E	2016E	2017E	2018E	2019E	2020E
Adjusted EBITDA	\$ 136	\$ 157	\$ 175	\$ 194	\$ 213	\$ 233
Depreciation	\$ 13	\$ 14	\$ 16	\$ 17	\$ 19	\$ 21
Share-based compensation	\$ 17	\$ 20	\$ 22	\$ 26	\$ 30	\$ 34
Amortization of acquired intangible assets	\$ 7	\$ 7	\$ 6	\$ 5	\$ 4	\$ 4
Compensation for post combination services	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Income	\$ 98	\$ 117	\$ 130	\$ 146	\$ 160	\$ 174

**Post-Acquisition Synergies***Required Investments*

As noted above, the long-term projections focus on the income statement results of each of NetScout and the Communications Business on a standalone basis and do not illustrate the capital investment required by either company to achieve these results. In order to achieve the projected revenue growth rates, each business would potentially be required to make investments to successfully launch new or enhanced products, accelerate entry into adjacent market sectors, or drive further customer adoption in key geographic or vertical markets, or all of the above. NetScout's management believes that its acquisition of the Communications Business will negate the need for NetScout to make further significant investments in order to achieve the revenue growth that was reflected in the long-term projections.

*Revenue*

NetScout's management believes that the combined company will have a broader and more comprehensive portfolio of best-in-class products that roughly doubles NetScout's existing addressable market from \$4 billion to over \$8 billion. Just as important, the combined company will have stronger go-to-market capabilities via a larger direct global sales organization that will be complemented by a wider network of value-added resellers around the world. Accordingly, NetScout's management believes that the combined company will be able to achieve revenue synergies in both the service provider and enterprise markets within the first several years of combined operations. In particular, NetScout

expects that in the service provider market, the combined company's offerings, together with development initiatives to innovate and integrate key features and functionality, will enable the combined company to benefit from new opportunities in its customers' mobile networks, extend its reach into the radio access portion of its mobile networks, support potential customer initiatives around network virtualization, and drive adoption of its analytics in new departments within its customers. In the enterprise market, NetScout will be better positioned to address a wider range of its customers' technical and budgetary requirements with opportunities to cross-sell certain offerings into the combined customer base. Additionally, NetScout believes that it can use the combined enterprise customer base to accelerate sales for its cyber security solutions in this market segment. At the same time, NetScout recognizes that a transaction of this magnitude has

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potential to create slight net revenue dis-synergies in the first year of combined operations primarily arising from customers who may elect to defer purchases or otherwise select a solution from a different vendor, even though NetScout believes that product and customer overlap is minimal in the aggregate. Over the long term, however, NetScout's management believes that the combined company will be capable of growing revenue at an approximate compounded annual growth rate of 10 percent.

*Cost*

The combined company is expected to have a total non-GAAP operating cost base of more than \$900 million annually. Once the Transactions are completed, NetScout believes that there will be a number of near-and longer-term synergies that will facilitate the elimination of certain costs or otherwise help NetScout limit expense growth across a range of functional areas. During the first year of combined operations, NetScout management's preliminary estimate is that NetScout will identify, remove and begin realizing run-rate cost synergies of approximately five percent of the combined cost base, or approximately \$45 to \$55 million. 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 Communications Business, including materials costs. NetScout's primary focus during the first year will be to use its purchasing power and extend proven manufacturing techniques in ways that can improve product gross margins while NetScout brings together the combined company's research and development, sales and marketing, customer service and support, human resources, finance and accounting and other organizations. In addition, NetScout will also seek to consolidate facilities and eliminate unnecessary lease expense in key areas where both companies have historically operated out of separate offices. As a result, NetScout anticipates that its gross margin in the five-year period following the acquisition would improve, as a percentage of total revenue, from 75% to more than 78% of total revenue, which is in line with NetScout's current gross margins in the 78% to 80% range. Moving into the second year of combined operations, NetScout expects to achieve additional synergies 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. At the same time, NetScout will continue to focus on maintaining a scalable infrastructure and prudently managing its cost structure. Additionally, NetScout will explore opportunities to improve the overall tax efficiency of NetScout's business by taking advantage of certain operations maintained by the Communications Business in lower tax rate jurisdictions outside of North America.

NetScout believes it will be able to use its purchasing power to improve the gross margins of the Communications Business because NetScout already has lower materials costs than the Communications Business in certain instances. NetScout believes that because the Communications Business products differ from those at other Danaher operating units, the impact of Danaher's purchasing power on the Communications Business is more modest than it is with respect to other Danaher businesses, and is largely limited to corporate services such as travel, communications, insurance and information technology services. NetScout further believes that the increased size and focus of the combined company will enhance NetScout's purchasing power and that any increase in the corporate services costs of the Communications Business will be minimal and potentially offset by reductions in NetScout's corporate services costs as part of the combined company. Projected revenue synergies are based on potential new revenue opportunities in the cyber security market for NetScout utilizing Arbor Networks' sales force, new enterprise markets for both NetScout and Communications Business products, cross selling opportunities in the service provider market and NetScout leveraging the global marketing network of the Communications Business to grow its international sales.

NetScout believes that the combination of strong revenue growth, operating synergies and prudent cost control will enable NetScout to increase non-GAAP operating profit growth at a higher rate than revenue growth rate. Additionally, by taking steps to improve the combined company's overall tax efficiency and by continuing to operate with minimal capital requirements, NetScout believes that it will generate substantial free cash flow. Assuming an annual non-GAAP compounded revenue growth rate of 10 percent during the first five-year period after completing

the Transactions, and taking into account the aforementioned year-one cost synergies, the

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potential for additional cost reductions and prudent spending, NetScout believes that the combined company will be capable of increasing its non-GAAP operating margin from NetScout's non-GAAP operating margin of approximately 25% in fiscal year 2014 by more than five percentage points within five years after completing the Transactions.

### **Danaher's Reasons for the Transactions**

As discussed in the section of this prospectus entitled "Background of the Transactions," from time to time Danaher's board of directors and senior management have reviewed Danaher's portfolio of businesses and assets to determine whether changes might be advisable and to consider possible transactions, including possible disposition and merger opportunities, in order to maximize value for Danaher stockholders. As a result of that process, Danaher's board determined that the separation and distribution of the Communications Business and the merger of the Communications Business with NetScout would be the best way to realize the full value of the Communications Business and enable Danaher to focus on its remaining businesses in accordance with its corporate strategy.

In reaching its decision to approve the Merger Agreement, the Distribution Agreement and the Transactions, Danaher's board of directors considered the following material factors in supporting its decision:

the value creation expected to result from combining the Communications Business with NetScout, and the ability of pre-First Merger holders of Newco common units and Newco Employees to own approximately 59.5% of NetScout on a fully-diluted basis after giving effect to the Transactions and participate in the future upside of the combined company;

the complementary nature of the product and service offerings of the Communications Business and those of NetScout, the combination of which is expected to enhance the offerings of both companies to customers and solidify the position of the combined company as a premier, global communications and data solutions provider;

the resources of the Communications Business outside of the United States, and the opportunities that such resources will present for NetScout's operations to expand to other markets as a result of the Transactions;

the expectation that the Separation, the Distribution and the Mergers generally would result in a tax-efficient disposition of the Communications Business for Danaher and Danaher's stockholders, while a sale of the Communications Business for cash generally would result in a taxable disposition for Danaher;

NetScout's business prospects and expected synergies after giving effect to the proposed acquisition of the Communications Business;

the reports of Danaher's senior management regarding their due diligence review of NetScout's business; and



the review by the board of directors of the structure and terms of the Merger Agreement, the Distribution Agreement and the Transactions, including the parties' representations, warranties and covenants, the conditions to their respective obligations and the termination provisions, as well as the likelihood of consummation of the Transactions and the board's evaluation of the likely time period necessary to close the Transactions.

The fourth and seventh bullets above are considered to be benefits to Danaher while the first, second, third, fifth and sixth bullets above are considered to be benefits to Danaher stockholders who are being offered the opportunity to receive shares of NetScout common stock upon completion of the Distribution and thereby participate in the future upside potential of the combined company.

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In the course of its deliberations, the Danaher board of directors considered the following material risks and negative factors in supporting its decision:

the risk that all conditions to the parties' obligations to complete the Transactions will not be satisfied or waived, which while not expected could cause the Transactions to not be completed;

because the consideration to be received by Danaher's stockholders in the Transactions consists of a fixed number of shares of NetScout common stock, the value of the NetScout common stock to be received in the Mergers could fluctuate, perhaps significantly, based on a variety of factors including general stock market conditions and the performance of NetScout's business;

risks relating to integrating the Communications Business with NetScout's current operations, including the potential loss of key employees, and the potential effects on the value of the NetScout common stock to be received in the First Merger;

the risk that the Transactions do not qualify as tax-free transactions under Sections 355 or 368 of the Code, which could result in the stockholders of Danaher having significant tax liability;

the risks relating to the combined company maintaining and renewing relationships with pre-existing customers, channel partners, suppliers and other third-parties of both the Communications Business and NetScout, which relationships may be affected by customer, channel partner, supplier or third-party preferences or public attitudes about the Transactions;

the effect of divesting the Communications Business pursuant to the Transactions on Danaher's future earnings per share and cash flows from operating activities; and

risks of the type and nature described under the section of this prospectus entitled "Risk Factors."

Danaher's board of directors considered all of these factors as a whole and, on balance, concluded that they supported a favorable determination to approve the Merger Agreement, the Distribution Agreement and the Transactions. The foregoing discussion of the information and factors considered by the board of directors of Danaher is not exhaustive. In view of the wide variety of factors considered by the board in connection with its evaluation of the Transactions and the complexity of these matters, the board did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The board evaluated the factors described above, among others, and reached a consensus to approve the Merger Agreement, the Distribution Agreement and the Transactions. In considering the factors described above and any other factors, individual members of the board may have viewed factors differently or given different weight or merit to different factors.

**Certain Financial Forecasts Prepared by Danaher**

Although Danaher periodically may issue limited guidance to investors concerning its expected financial performance, Danaher does not as a matter of course provide earnings per share guidance beyond the current fiscal year except towards the end of the fiscal year with respect to the next fiscal year and Danaher is especially reluctant to publicly disclose detailed financial forecasts for extended periods given the unpredictability of the underlying assumptions and estimates. However, in connection with the due diligence review of the Communications Business by NetScout, Danaher provided to NetScout and its financial advisors certain non-public financial forecasts regarding the Communications Business for 2014 and 2015, which are referred to herein as the Communications Business forecasts.

The Communications Business forecasts were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP but, in the view of Danaher's management, were prepared on a reasonable basis and reflected the best then-currently available estimates and judgments of Danaher's management. The Communications Business forecasts in this prospectus were prepared by, and are the responsibility of Danaher management and are unaudited. The Communications Business

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independent registered public accounting firm has not examined, compiled or otherwise applied any procedures to the Communications Business forecasts presented herein and, accordingly, does not express an opinion or any other form of assurance on such information or its achievability, and assumes no responsibility for, and disclaims any association with, the prospective financial information. The reports of the Communications Business independent registered public accounting firm included in this prospectus relate to the Communications Business historical financial information. They do not extend to the Communications Business forecasts and should not be read to do so. The summary of these Danaher Communications Business forecasts is included in this prospectus because these internal financial forecasts were provided by Danaher to NetScout and its financial advisors.

The Communications Business forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Danaher. Important factors affecting results and potentially causing the Communications Business forecasts not to be achieved include, but are not limited to, risks and uncertainties related to the Communications Business and the other factors described under Cautionary Statement Concerning Forward-Looking Statements.

The Communications Business forecasts also reflect assumptions as to a number of other business decisions that are subject to change and do not necessarily reflect current estimates or assumptions Danaher's management may have about prospects for the Communications Business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared. As a result, actual results may differ materially from those contained in the Communications Business forecasts. Accordingly, there can be no assurance that the Communications Business forecasts will be realized.

(\$ in millions)	2014E	2015E
Revenue	\$ 811	\$ 891(1)
Operating profit(2)	\$ 143	
Adjusted operating profit(2)(3)	\$ 152	

- (1) Prior to signing, Danaher communicated to NetScout uncertainty about carrier capital expenditures in fiscal year 2015, which could result in a 2015 revenue forecast for the Communications Business of less than its prior forecast of \$891 million.
- (2) Does not give effect to certain restructuring actions that Danaher is effecting during the fourth quarter of 2014, which restructuring is expected to result in additional operating profit and adjusted operating profit in future periods.
- (3) Adjusted to exclude restructuring expenses, severance expenses, retention expenses in connection with a recent acquisition and headcount expenses that are not expected to continue following the closing of the Transactions.

The inclusion of the Communications Business forecasts in this prospectus should not be regarded as an indication that any of Danaher, NetScout or their respective officers, directors, affiliates, advisors or other representatives considered the Communications Business forecasts to be predictive of actual future events, and the forecasts should not be relied upon as such. None of Danaher, NetScout or their respective affiliates, advisors or other representatives can assure you that actual results will not differ materially from these internal financial forecasts, and none of them undertakes any obligation to update or otherwise revise or reconcile the Communications Business forecasts to reflect circumstances existing after the date the Danaher communications forecasts were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the forecasts are shown to be in error. Danaher does not intend to make publicly available any update or other revision to these forecasts. None of Danaher or its respective officers, directors, affiliates, advisors or other representatives has made or makes any

representation to any stockholder or other person regarding the Communications Business ultimate performance compared to the info