

Polycom: Summary Transaction Overview at Entry

Overview		Transaction Structure																	
Business Description	<ul style="list-style-type: none"> Polycom is a leading global provider of open, standards-based unified communications (“UC”) solutions for voice and video communication and content sharing 																		
Closing Date	<ul style="list-style-type: none"> Acquisition: September 27, 2016 																		
Capital Structure at Entry	<ul style="list-style-type: none"> Total Equity & Debt: \$1,584 mm <ul style="list-style-type: none"> Total Equity: \$659 mm Total Debt⁽¹⁾: \$925 mm 																		
Co-Investors	<ul style="list-style-type: none"> LP co-invest of \$319mm (49% of equity) 																		
Executive Partners	<ul style="list-style-type: none"> Daniel Moloney, Mary McDowell⁽²⁾, Michael Seedman 																		
Entry Valuation & Liquidity/Leverage				Entry Summary Financials (FY 2016E)															
Valuation	<ul style="list-style-type: none"> TEV⁽³⁾ / FY2016E PF Total EBITDA: 4.7x 	<table border="1"> <thead> <tr> <th>\$ in millions</th> <th>Total</th> <th>Projected Net Cost Savings</th> <th>PF Total</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>\$1,163</td> <td></td> <td>\$1,163</td> </tr> <tr> <td>PF EBITDA⁽⁵⁾</td> <td>\$201</td> <td>\$75⁽⁵⁾</td> <td>\$276</td> </tr> <tr> <td>% Margin</td> <td>17%</td> <td></td> <td>24%</td> </tr> </tbody> </table>		\$ in millions	Total	Projected Net Cost Savings	PF Total	Revenue	\$1,163		\$1,163	PF EBITDA ⁽⁵⁾	\$201	\$75 ⁽⁵⁾	\$276	% Margin	17%		24%
\$ in millions	Total	Projected Net Cost Savings	PF Total																
Revenue	\$1,163		\$1,163																
PF EBITDA ⁽⁵⁾	\$201	\$75 ⁽⁵⁾	\$276																
% Margin	17%		24%																
Liquidity/Leverage	<ul style="list-style-type: none"> \$117 million total liquidity – \$67 million of cash at close and \$50 million undrawn revolver Net Debt⁽⁴⁾ / FY2016E PF Total EBITDA : 3.1x 																		

Note: Please see Appendix—Footnotes” and “Siris Disclaimer” and “Case Studies” for important information, additional considerations and definitions.

(1)\$750 mm 1st Lien Debt + \$175.0 mm + 2nd Lien Debt = \$925.0 mm Total Debt (excludes \$50 mm revolving credit facility undrawn at close).

(2)Ms. McDowell now serves as CEO of Polycom.

(3)Total Enterprise Value (“TEV”) = \$659.0 mm total equity + \$925.0 mm total debt - \$211.5 mm of transaction expenses - \$67.2 mm of minimum cash = \$1,305.3 mm / \$276.2 mm FY16E PF Total EBITDA = 4.7x.

(4)Net Debt = \$925.0 mm total debt - \$67.2 mm cash on balance sheet = \$857.8 mm net debt / \$276.2 mm FY16E PF Total EBITDA = 3.1x.

(5)PF EBITDA represents Total EBITDA including Siris’ projected net cost savings of \$75.0 million (\$90 million gross savings less \$15 million RSU Replacement costs) over initial two years, as if realized at entry. There can be no assurance such cost savings will be achieved.



CONFIDENTIAL - PURSUANT TO FED. R. CRIM. P. 6(e)
CONFIDENTIAL

DB-SDNY-0069866
SDNY_GM_00216050