



NEWS RELEASE

Cisco Completes Acquisition of AppDynamics

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Together, AppDynamics and Cisco will give customers comprehensive visibility from code to consumer and everything in-between

SAN JOSE, CA -- (Marketwired) -- 03/22/17 -- Cisco (NASDAQ: CSCO) today announced that it has completed the acquisition of AppDynamics, a leader in application and business monitoring. Together, Cisco and AppDynamics will deliver visibility across the network, data center, security and applications and drive digital transformation that improves customer experiences.

As digital experiences get simpler for consumers, they get more complex for companies trying to stay ahead of customer expectations. The rise of connected devices, distributed architectures, and multi-clouds have increased the complexity of application environments. Companies need insight into the health of every application and every transaction in order to keep up with the pace of change.

AppDynamics empowers the world's largest customers to digitally transform themselves faster and with more confidence. With AppDynamics, enterprises can watch every line of code and understand its impact on user experience and application performance, while providing real-time insight into the digital business. Together with AppDynamics, Cisco will now be able to offer intelligence, correlation and insights at every level of the infrastructure, security and application. This will enable customers to make more informed IT decisions and improve business results.

"In a digital world, the user experience, application, and business are converged and inseparable. AppDynamics sits at this intersection monitoring the impact of every line of code on business outcomes," said David Wadhvani, current chief executive officer, AppDynamics. "By joining forces with Cisco, we're able to double down on our vision of helping companies overcome the complexity of modern software so they can deliver exceptional customer experiences and drive better business performance."

"We acquired AppDynamics because they are a market leader in a category that will be a cornerstone for how enterprises drive their business forward," said Rowan Trollope, senior vice president and general manager, Internet of Things (IoT) and Applications, Cisco. "Together, AppDynamics and Cisco will be the only company that can deliver complete visibility spanning from the infrastructure to

application to end user."

In its last fiscal period as an independent company, AppDynamics saw year over year revenue growth of over 50%, with approximately 75% of last year's product revenue purely subscription-based*. The company has enjoyed significant success and customer traction, including:

- Continued growth with customer wins with the [European Organization for Nuclear Research \(CERN\)](#), Vodafone, and [Wells Fargo](#)
- Introduction of breakthrough product innovation including [Business iQ](#), a new App iQ performance engine, and [Microservices iQ](#), a new performance engine in the App iQ Platform
- New partnerships with [Microsoft](#) for delivery of advanced support for real-time monitoring digital businesses in Microsoft Azure cloud environments, and [AppDynamics for ServiceNow](#) to enable companies to proactively manage enterprise applications to deliver exceptional business uptime
- Significant industry accolades, including being named a leader in [Gartner's 2016 Magic Quadrant for Application Performance Monitoring Suites](#), San Francisco's [Best Technology Work Culture](#), and top 10 of [Forbes 2016 World's Best Cloud Companies List](#)

AppDynamics will continue to be led by David Wadhvani as a new software business unit in Cisco's IoT and Applications business, reporting to senior vice president Rowan Trollope. As part of Cisco, AppDynamics will serve a critical role in helping drive Cisco's continued transformation into a software company. Under the terms of the agreement, Cisco paid approximately \$3.7 billion in cash and assumed equity awards.

About Cisco

Cisco (NASDAQ: CSCO) is the worldwide technology leader that has been making the Internet work since 1984. Our people, products, and partners help society securely connect and seize tomorrow's digital opportunity today. Discover more at newsroom.cisco.com and follow us on Twitter at @Cisco.

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Forward-Looking Statements

This press release may be deemed to contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding the expected benefits to Cisco and its customers, and plans regarding AppDynamics personnel. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results due to a variety of factors, including, among other things, the potential impact on the business of AppDynamics due to the uncertainty about the acquisition, the retention of employees of AppDynamics and the ability of Cisco to successfully integrate AppDynamics and to achieve expected benefits, business and economic conditions and growth trends in the networking industry, customer markets and various geographic regions, global economic conditions and uncertainties in the geopolitical environment and other risk factors set forth in Cisco's most recent reports on Form 10-K and Form 10-Q. Any forward-looking statements in this release are based on limited information currently available to Cisco, which is subject to change, and Cisco will not necessarily update the information.

*For nine months ended October 31, 2016

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