

2015 LETTER TO STOCKHOLDERS

TO OUR STOCKHOLDERS:

NetScout generated another year of strong revenue and profit growth in fiscal year 2015 while also taking critical steps to accelerate our strategic progress. NetScout's performance reflected our sound investments that were made in prior years to bring our nGeniusONE platform to the marketplace, to advance key technology initiatives, to expand our relationships with our customers in the service provider, enterprise and government sectors, and to add key new talent to our organization. With strong revenue growth in fiscal year 2015, the scalability of our operating model enabled us to surpass our long-term target for non-GAAP operating profit margin one year ahead of schedule.

This past year also marked NetScout's 30th anniversary. We have accomplished a lot during the past three decades to establish our Company as both a market leader and technology innovator. While we are justifiably proud of our many achievements, we are not resting on our laurels. On July 14, 2015, we completed our acquisition of Danaher Corporation's Communications Business and with it, we are entering a new era for growth and value creation. The acquired business is a compelling fit for our Company strategically, operationally and financially and will expand our resources and technology, as well as provide access to more customers in our core markets and well as new market segments, such as cyber security.

EXCELLENT FINANCIAL PERFORMANCE

NetScout reported fiscal year 2015 total revenue of \$454 million, up 14% from the prior fiscal year. Our solid top-line performance reflected strong traction with our service provider customers, combined with increased demand by our government customers and modest expansion across our enterprise vertical. From a profitability perspective, NetScout delivered outstanding results. Even as we invested in customer-driven innovation and a high-touch sales organization, we elevated our non-GAAP operating margins to 29.5%, exceeding our target of 27% in the fourth year of a five-year plan. Non-GAAP net income climbed to \$84.3 million, or \$2.03 per diluted share, in fiscal year 2015.

Our strong operating performance resulted in another year of outstanding cash generation. We ended fiscal year 2015 with cash, cash equivalents, short and long-term marketable securities of nearly \$265 million, up from \$219 million at the end of fiscal year 2014, and our total liquidity exceeded \$500 million. During the year, we repurchased 1 million shares at an average purchase price of \$40.92 per share, totaling \$40.9 million. Our increasingly robust financial foundation enables us to continue investing in our products, people, partners, programs and processes – either through internal initiatives or opportunistic M&A – as well as to return value via our stock repurchase activities.

On that note, we took additional steps entering fiscal year 2016 to improve the efficiency of our capital structure and return value to shareholders. Our Board approved a new 20 million share repurchase program in conjunction with our acquisition of Danaher's Communications Business. To help finance this activity as well as to ensure that we have sufficient cash on hand to propel our business forward, we secured a new \$800 million credit facility. Based on the strong cash generation characteristics of our business, we believe that adding leverage to the balance sheet is an appropriate step in the evolution of our capital structure.

INVESTING IN CUSTOMER-DRIVEN INNOVATION

During fiscal year 2015, we continued to advance development and drive market acceptance of the nGeniusONE service assurance platform. Powered by our patented and proprietary Adaptive Service Intelligence (ASI) technology, nGeniusONE was launched in mid-2013 to assure the availability and performance of our customers' networks and business services as they transition to new technologies, such as virtualization, cloud, and IP convergence. In the fourth quarter of fiscal year 2015, we reached another nGeniusONE milestone when we released our newest version of this platform, completing a nearly two-year migration of key features and functionality from its predecessor platforms. Now our entire installed base can benefit from the next generation of all capabilities, without reverting to previous versions. We have also been adding new capabilities, enabling new use cases, such as assuring unified communications services in multiple vertical market segments. Our investment in innovation is matched by a strong commitment to delivering world-class customer support, and we were pleased that NetScout received the NorthFace ScoreBoard Award from Omega Management Group Corp. in recognition of achieving excellence in customer service in 2014.

ACCELERATING OUR STRATEGIC PROGRESS

The seeds of NetScout's fiscal year 2015 performance were planted several years ago. The investments we made, both organically and through acquisition, enabled us to add new capabilities and functionality to our offerings, further expand our customer relationships globally and expand our total addressable market from \$1 billion to roughly \$4 billion. The progress we've made in recent years helps highlight the exciting potential for our nGeniusONE platform and ASI technology, not only in our core markets but in a number of growth-oriented, adjacent market segments. However, we recognized that extending our reach into new markets would require more than just increased investment in our technology and products; it would also require substantially stronger and more global sales channels, and access to a larger installed base of customers. We believe that the acquisition of Danaher Corporation's Communications Business helps us in both of these areas and thus accelerates our strategy.

The acquisition includes three primary business units – Tektronix Communications, Arbor Networks, and the enterprise segment of Fluke Networks – each of which is well respected in the marketplace, with technologies and customer bases that are highly complementary to NetScout. This acquisition offers multiple advantages. First, it more than doubles our total addressable market to over \$8 billion by expanding our range of market-leading offerings, jump-starting our entry into growth-oriented adjacencies such as cyber security, business intelligence and radio access network optimization, and extending our reach into the mid-tier of the enterprise market. Second, the solutions from each business use traffic-based data as key source technology, allowing us to consolidate on our patented ASI technology platform over time. Third, we will substantially strengthen our go-to-market capabilities in ways that will help us support a broader, more global and diverse customer base of service providers and enterprises. Finally, we will benefit from greater scale and a more strategic position with our customers. As a result, we believe that our Company will be poised to generate solid top-line growth over the next several years, which we expect will underpin the acceleration of non-GAAP profit margins, earnings and free cash flow, thanks to the scalability of our infrastructure along with prudent investment.

The feedback on this transaction from customers, partners, employees, and our shareholders regarding the potential of the combined company has been resoundingly positive. We are now focused on taking the necessary steps to realize this potential. There is considerable work ahead as we welcome over 2,000 new colleagues and many new customers to our Company. We look forward to learning from one another as we advance, refine and execute on our product roadmaps, and take the necessary steps to fortify and expand our customer relationships.

LOOKING AHEAD

We believe that NetScout's future is very bright. The marketplace continues to evolve rapidly and our customers are looking to NetScout to help them advance their technology initiatives and innovate with confidence. We view NetScout's solutions as being at the epicenter of many powerful technology trends such as IP convergence, mobility, 4G/LTE connectivity and related new high-value service offerings, virtualization, cyber security, big data and the evolving Internet. Our recently completed acquisition better positions us to capitalize on these and other emerging market needs, and become a more strategic partner to our customers around the world in the process.

We move forward into our fourth decade of business with the technical, operational and financial resources necessary to innovate and support our global customer base's near-term and longer-term requirements. In addition, we unveiled a refreshed NetScout brand this past spring with a more vibrant look and feel and a broader value proposition. From our logo to our language, the rebranding better reflects NetScout's mission and the mission of those who use our solutions as evidenced in our new tag line, "Guardians of the Connected World." We believe that our new marketing initiatives will help us further elevate our visibility among customers and prospects.

NetScout's success would not be possible without the hard work and commitment of our talented workforce. In addition to thanking our employees, customers, partners and other stakeholders for their support, I'd also like to extend my appreciation to our shareholders for supporting our transaction and for their continued confidence in NetScout's strategic direction. I look forward to sharing our progress and accomplishments with you.



Sincerely,

A handwritten signature in black ink, appearing to read "Anil K. Singhal". The signature is stylized with a long horizontal stroke at the end.

Anil K. Singhal

President, Chief Executive Officer and Chairman of the Board

July 22, 2015