



TO OUR STOCKHOLDERS

Fiscal year 2016 was an important year of progress, highlighted by the completion of our acquisition of Danaher Corporation's Communications Business in July 2015 and the

ensuing integration of these assets. This acquisition was an important milestone in helping us realize our vision of providing customers with pervasive visibility into their networks by pairing next-generation instrumentation with superior analytics. As a result, we believe that our customers will benefit by harnessing the full power of high-quality network data to optimize network performance, ensure high-quality service delivery, enhance security and make better, more informed decisions that can elevate the end user experience and positively impact their top and bottom lines.

The transaction accelerated our strategic progress, enabling us to substantially expand our total addressable market, gain access to a broader, more global and more diverse base of customers, and leverage our technology platform and global footprint to further scale our organization. During the past year, we made substantive inroads with the broad range of integration initiatives required to realize the promise of this acquisition while also staying focused on the day-to-day tasks necessary to address the near- and longer-term needs of our customers around the globe.

Accordingly, we believe that NetScout moves forward in much better position to create and deliver value to its core stakeholders over the near- and longer-term.

FISCAL YEAR 2016 PERFORMANCE HIGHLIGHTS

Our top-line performance in fiscal year 2016 reflected an increasingly cautious capital spending environment in the service provider market. Despite these challenges, we still delivered a decent earnings performance due in part to our efforts to drive operating margin expansion. This reflected our success in realizing certain operational synergies from the acquisition along with ongoing prudent management of our cost structure. We believe our efforts on both of these fronts will enable us to improve the pro forma profitability of the combined Company as we move forward. We ended the year with a stronger, more efficient balance sheet marked by a healthy cash position and a relatively modest level of debt via our senior secured credit facility. During the year, we returned over \$300 million to shareholders through our share repurchase activities.

LOOKING AHEAD

Looking ahead, we believe that there is a lot to be excited about. More specifically, from a product development perspective, our efforts to integrate capabilities from across previously separate business units and product areas is expected to result in a new product cycle of innovative, differentiated solutions throughout the coming fiscal year. Just as critical, our sales teams serving our service provider



and enterprise customers have already been integrated for several quarters, which is enabling us to deliver a more consistent and increasingly compelling message to the marketplace. As we bring a new generation of service assurance and cybersecurity solutions to the marketplace, we believe that fiscal year 2017 will be an important year of transition. By amplifying the value of NetScout's proprietary Application Service Intelligence™ (ASI) technology through both product integration with certain of the acquired assets, and ongoing investment in R&D, we intend to position NetScout to deliver an increasingly compelling value proposition in support of our customers' digital transformation initiatives.

As we move forward, we are focused on improving our revenue trajectory by executing on our development roadmaps and a range of go-to-market campaigns over the course of the coming fiscal year. At the same time, we plan to drive meaningful profit margin improvement as we benefit from the run-rate savings from recent integration activity, advance additional acquisition-related synergies and remain disciplined in managing our overall cost structure without compromising our ability to innovate and support customers. We also expect that the combination of improved operating profitability and greater working capital efficiency will support strong gains in free cash flow.

I'd like to thank our employees around the globe for staying focused and helping advance our mission during

a year of tremendous change at our Company. I'd also like to extend my gratitude for the support we've received during the past year from our shareholders, both those that have owned us when we were much smaller and those who are newer to our story.

The team at NetScout is enthusiastic about our plans for fiscal year 2017 and beyond. We believe that we've only started to scratch the surface of our Company's potential. We are excited about the opportunities we see, and we remain confident in our ability to capitalize on them and deliver value over the long term for shareholders, customers, employees and other key stakeholders. Accordingly, we look forward to sharing our progress and achievements with you in the future.

Sincerely,

Anil K. Singhal
President, Chief Executive Officer and
Chairman of the Board
July 19, 2016