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Cisco Announces Intent to Acquire Springpath

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Acquisition supports Cisco's transition toward software-centric solutions

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SAN JOSE, Calif. – August 21, 2017 – Cisco (NASDAQ:CSCO) announced today its intent to acquire Springpath, Inc., a Sunnyvale-based leader in hyperconvergence software. Springpath has developed a distributed file system purpose-built for hyperconvergence that enables server-based storage systems. The acquisition will allow Cisco to continue to deliver next-generation data center innovation to its customers.

The acquisition is the culmination of a long-standing strategic relationship between Cisco and Springpath. The companies have worked together since early 2016 to launch HyperFlex, the industry's first fully integrated hyperconverged infrastructure system. Since then, they have fully aligned on product development and go-to-market strategies. This acquisition will allow Cisco to continue to grow its computing business, enabling more customers to realize the benefits of simple and economic software-defined infrastructure.

"This acquisition is a meaningful addition to our data center portfolio and aligns with our overall transition to providing more software-centric solutions," said Rob Salvagno, Cisco vice president, Corporate Business Development. "Springpath's file system technology was built specifically for hyperconvergence, which we believe will deliver sustainable differentiation in this fast-growing segment. I'm excited to be able to provide our customers and partners with the simplicity and agility they need in data center innovation."

Cisco will acquire Springpath for \$320 million in cash and assumed equity awards, plus additional retention based incentives. The acquisition is expected to close in Cisco's first quarter of fiscal year 2018, following customary closing conditions and regulatory review.

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Read the blog about the Springpath acquisition from Cisco's Head of Corporate Development

Read Liz Centoni's blog on "Taking a Leap Forward" in Hyperconvergence

About 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 acquisition supporting Cisco's transition toward software-centric solutions, the acquisition allowing Cisco to continue to deliver next-generation data center innovation to its customers, the acquisition allowing Cisco to continue to grow its computing business, enabling more customers to realize the benefits of simple and economic software-defined infrastructure, Springpath's file system technology delivering sustainable differentiation in the fast-growing hyperconvergence segment, the expected benefits to Cisco and its customers from completing the acquisition, and plans regarding Springpath personnel. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results due a variety of factors, including, among other things, obtaining regulatory approval of the acquisition or that other conditions to the closing of the transaction may not be satisfied, the potential impact on the business of Springpath due to the uncertainty about the acquisition, the retention of employees of Springpath and the ability of Cisco to successfully integrate Springpath 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.

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