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I. LETTER TO SHARHOLDERS



April 3, 2015

To the stockholders of Aruba Networks, Inc.:

You are cordially invited to attend a special meeting of stockholders, which we refer to as the "<u>Special</u> <u>Meeting</u>", of Aruba Networks, Inc., a Delaware corporation, which we refer to as "<u>Aruba</u>", the "<u>Company</u>", "<u>we</u>", "<u>us</u>", or "<u>our</u>", to be held on May 1, 2015, at 9:00 a.m., Pacific time, at our principal executive offices at 1344 Crossman Avenue, Sunnyvale, California 94089.

At the Special Meeting, you will be asked to consider and vote on a proposal to adopt the Agreement and Plan of Merger, as it may be amended from time to time, which we refer to as the "<u>Merger Agreement</u>", dated March 2, 2015, by and among Aruba, Hewlett-Packard Company, which we refer to as "<u>HP</u>" or "<u>Parent</u>", and Aspen Acquisition Sub, Inc., a Delaware corporation and a wholly owned subsidiary of HP, which we refer to as "<u>Merger Sub</u>", and the transactions contemplated by the Merger Agreement (as defined below). Pursuant to the terms of the

Merger Agreement, Merger Sub will merge with and into Aruba, which we refer to as the "<u>Merger</u>", and Aruba will become a wholly owned subsidiary of HP. At the Special Meeting, you will also be asked to consider and vote on a non-binding, advisory proposal to approve certain compensation that will or may become payable to Aruba's named executive officers in connection with the Merger.

If the Merger is completed, you will be entitled to receive \$24.67 in cash, without interest, for each share of common stock of Aruba that you own (unless you have properly exercised your appraisal rights), which represents a premium of approximately (i) 44% from the average closing price of Aruba's common stock in the 30 calendar day period prior to February 24, 2015, the last trading day prior to the date when specific rumors were reported publicly that Aruba and HP were negotiating an acquisition transaction and (ii) 34% from the unaffected closing price of Aruba's common stock on February 24, 2015.

The Board of Directors of Aruba, which we refer to as the "<u>Board of Directors</u>", after considering the factors more fully described in the enclosed proxy statement, has unanimously (1) determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of Aruba's stockholders; (2) approved and declared advisable the Merger Agreement and the transactions contemplated thereby; (3) directed that the Merger Agreement be submitted to the stockholders of Aruba for adoption; and (4) resolved to recommend that Aruba stockholders vote in favor of the adoption of the Merger Agreement and the transactions contemplated thereby; (2) "FOR" the adoption of the Merger Agreement and the transactions contemplated thereby; (2) "FOR" the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement and the transactions contemplated thereby at the time of the Special Meeting; and (3) "FOR" the non-binding, advisory proposal to approve certain compensation that will or may become payable to Aruba's named executive officers in connection with the Merger.

The enclosed proxy statement provides detailed information about the Special Meeting, the Merger Agreement and the Merger. A copy of the Merger Agreement is attached as Annex A to the proxy statement. The proxy statement also describes the actions and determinations of the Board of Directors in connection with its evaluation of the Merger Agreement and the Merger. We encourage you to read the proxy statement and its annexes, including the Merger Agreement, carefully and in their entirety, as they contain important information.

Whether or not you plan to attend the Special Meeting in person, please sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the Internet or by telephone. If you attend the Special Meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted.

If you hold your shares in "street name," you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your bank, broker or other nominee cannot vote on any of the proposals, including the proposal to adopt the Merger Agreement and the transactions contemplated thereby, without your instructions.

Your vote is very important, regardless of the number of shares that you own. We cannot complete the Merger unless the proposal to adopt the Merger Agreement and the transactions contemplated thereby is approved by the affirmative vote of the holders of at least a majority of the outstanding shares of common stock of Aruba.

If you have any questions or need assistance voting your shares, please contact our Proxy Solicitor:

Innisfree M&A Incorporated 501 Madison Avenue, 20th Floor New York, NY 10022 Stockholders May Call Toll-Free: (888) 750-5834 Banks & Brokers May Call Collect: (212) 750-5833 On behalf of the Board of Directors, I thank you for your support and appreciate your consideration of this matter.

Sincerely,

Amin p. on.

Dominic P. Orr President, Chief Executive Officer and Chairman of the Board of Directors

II. SUMMARY

This summary highlights selected information from this proxy statement related to the merger of Aspen Acquisition Sub, Inc. with and into Aruba Networks, Inc., which we refer to as the "<u>Merger</u>", and may not contain all of the information that is important to you. To understand the Merger more fully and for a more complete description of the legal terms of the Merger, you should carefully read this entire proxy statement, the annexes to this proxy statement and the documents that we refer to in this proxy statement. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under the section of this proxy statement captioned "Where You Can Find More Information". The Merger Agreement is attached as Annex A to this proxy statement. We encourage you to read the Merger Agreement, which is the legal document that governs the Merger, carefully and in its entirety.

Except as otherwise specifically noted in this proxy statement, "<u>Aruba</u>", the "<u>Company</u>", "<u>we</u>", "<u>our</u>", "<u>us</u>" and similar words refer to Aruba Networks, Inc., including, in certain cases, our subsidiaries. Throughout this proxy statement, we refer to Hewlett-Packard Company as "<u>HP</u>" and Aspen Acquisition Sub, Inc. as "<u>Merger Sub</u>". In addition, throughout this proxy statement we refer to the Agreement and Plan of Merger, dated March 2, 2015, by and among Aruba, HP and Merger Sub, as it may be amended from time to time, as the "<u>Merger Agreement</u>".

Parties Involved in the Merger (Page 37)

Aruba Networks, Inc.

Aruba is a leading global provider of enterprise mobility solutions. Aruba develops, markets and sells products and services that help solve its customers' secure mobility requirements through its Mobility-Defined Networks, a network architecture designed to automatically optimize infrastructure-wide performance and trigger security actions that previously required manual intervention by information technology, which we refer to as "<u>IT</u>", departments. Aruba Mobility-Defined Networks are comprised of the following three major components: Aruba's mobility-centric network infrastructure, Aruba's ClearPass Access Management System, and Aruba's mobility applications. Aruba's goal is to provide simplified, dependable solutions that enable IT departments to quickly, securely and cost-effectively meet their mobility and bring-your-own-device needs. Aruba's Mobility-Defined Networks are designed for the all-wireless workplace and an increasingly mobile universe of end-users, who Aruba refers to as GenMobile, who rely on mobile devices for nearly every aspect of their work life and personal communication. Aruba derives its revenue primarily from sales of Mobility Controllers with ArubaOS operating system software, controller-less and controller-managed wireless access points, value-added security software modules, access management system solutions, multi-vendor management software, mobility management solutions and other software, Mobility Access Switches, and support and professional services. Aruba has offices in the Americas, Europe, the Middle East and the Asia Pacific regions and employs staff around the world.

Aruba's common stock is listed on The NASDAQ Global Select Market, which we refer to as "<u>NASDAQ</u>", under the symbol "ARUN".

Aruba's principal executive office is located at 1344 Crossman Avenue, Sunnyvale, California 94089 and its telephone number is (408) 227-4500.

Hewlett-Packard Company

HP, a corporation organized under the laws of the State of Delaware, is a leading global provider of products, technologies, software, solutions and services to individual consumers, small- and medium-sized businesses and large enterprises, including customers in the government, health and education sectors.

HP's principal executive office is located at 3000 Hanover Street, Palo Alto, California 94304 and its telephone number is (650) 857-1501.

Aspen Acquisition Sub, Inc.

Aspen Acquisition Sub, Inc. is a wholly owned direct subsidiary of HP and was formed on February 25, 2015, solely for the purpose of engaging in the transactions contemplated by the Merger Agreement and has not engaged in any business activities other than in connection with the transactions contemplated by the Merger Agreement.

Aspen Acquisition Sub, Inc.'s principal executive office is located at 3000 Hanover Street, Palo Alto, California 94304 and its telephone number is (650) 857-1501.

The Merger and the Merger Consideration (Page 76)

Upon the terms and subject to the conditions of the Merger Agreement, if the Merger is completed, Merger Sub will merge with and into Aruba, and Aruba will continue as the surviving corporation and as a wholly owned subsidiary of HP, which we refer to as the "<u>Surviving Corporation</u>". As a result of the Merger, Aruba will cease to be a publicly traded company and all outstanding shares of Aruba stock will be canceled and converted into the right to receive \$24.67 per share in cash, without interest and less any applicable withholding taxes, which we refer to as the "<u>Merger Consideration</u>", except for (i) any shares held in the treasury of Aruba or owned, directly or indirectly, by HP or Merger Sub, and (ii) any shares owned by stockholders who are entitled to and who properly exercise appraisal rights under the Delaware General Corporation Law, which we refer to as the "<u>DGCL</u>", and you will no longer own any shares of the capital stock of the Surviving Corporation.

After the Merger is completed, you will have the right to receive the Merger Consideration, but you will no longer have any rights as a stockholder (except that stockholders who properly exercise their appraisal rights will have the right to receive a payment for the "fair value" of their shares as determined pursuant to an appraisal proceeding as contemplated by Delaware law, as described below in the section of this proxy statement captioned "*The Merger — Appraisal Rights*").

If the Merger is completed and your shares of our common stock are held in book-entry form, the paying agent (as defined in the section of this proxy statement captioned "*The Merger Agreement* — *Exchange and Payment Procedures*") will issue and deliver to you a check or wire transfer for your shares without any further action on your part. If you are a stockholder of record with your shares held in certificate form, you will receive a letter of transmittal with instructions on how to send your shares of our common stock to the paying agent in connection with the Merger. The paying agent will issue and deliver to you a check or wire transfer for your shares after you comply with these instructions. **Please do not send your stock certificates with your proxy card.** See the section in this proxy statement captioned "*The Merger Agreement* — *Exchange and Payment Procedures*".

If your shares are held in "street name" by your broker, bank, or other nominee, you will receive instructions from your broker, bank or other nominee as to how to effect the surrender of your shares held in "street name".

III. BACKGROUND OF THE MERGER

The Board of Directors regularly evaluates Aruba's strategic direction and ongoing business plan with a view toward strengthening its core business and expanding the diversity of its product options in core regions and enhancing stockholder value. As part of this evaluation, the Board of Directors has, from time to time, considered a variety of strategic alternatives for Aruba, including the continuation of Aruba's business plan as a standalone enterprise, modifications to Aruba's strategy and product direction and a possible sale of Aruba.

On August 26, 2014, following the close of NASDAQ, Aruba announced its fourth quarter and fiscal year 2014 results, which were higher than previous guidance and which reflected strong fourth quarter performance, including bookings growth in major markets, with particular strength in North America and solid year-over-year growth in its core verticals.

On August 27, 2014, Antonio Neri, Senior Vice President and General Manager, HP Servers and HP Networking Global Business Units, called Dominic Orr, the President, CEO and Chairman of Aruba to express interest in the acquisition of Aruba by HP. Mr. Orr then notified Daniel Warmenhoven, the lead independent director of the Board of Directors, of his call with Mr. Neri. Following a discussion with Mr. Orr, Mr. Warmenhoven called a representative of Qatalyst Partners to discuss the situation in the event that Aruba might require a financial advisor on short notice.

On September 1, 2014, Messrs. Neri and Orr met to discuss a potential acquisition transaction. Mr. Neri did not suggest a proposed price, but he indicated that HP was very interested in pursuing such a transaction because of the potential synergies.

On September 2, 2014, Mr. Warmenhoven spoke with Meg Whitman, the Chief Executive Officer of HP, to confirm that HP was, in fact, interested in a potential strategic transaction with Aruba and that Mr. Neri had been properly authorized by HP to contact Mr. Orr regarding such potential transaction. During that call, Ms. Whitman confirmed HP's interest and that Mr. Neri was properly authorized.

Later on Tuesday, September 2, 2014, the Board of Directors convened a special meeting so that Mr. Orr could provide the Board of Directors with information regarding his conversations with Mr. Neri. The Board of Directors also authorized management to seek to engage a financial advisor at this meeting.

On September 5, 2014, at the direction of the Board of Directors and in preparation for consideration of a possible offer from HP, Aruba engaged Qatalyst Partners as its financial advisor.

On September 10, 2014, at a regular meeting of the Board of Directors with representatives of both Qatalyst Partners and Wilson Sonsini Goodrich and Rosati, which we refer to as "<u>WSGR</u>", in attendance, Mr. Orr described his recent conversations with HP regarding the potential strategic transaction. Mr. Orr noted that HP had expressed interest in expanding its networking business and that Mr. Neri indicated that an acquisition of Aruba would provide HP with a platform for future growth and development in that sector. Mr. Orr also noted that representatives of HP had indicated that they were evaluating several targets for a potential strategic acquisition and that these potential targets would be discussed with HP's board of directors in late September. Representatives of Qatalyst Partners then discussed with the Board of Directors background financial information regarding the Company and next steps that could be undertaken in preparation for evaluating any specific acquisition proposals that the Company might receive. Representatives of Qatalyst Partners led a preliminary discussion of third parties that might reasonably have the interest and capability to consider a transaction with Aruba. Following questions and discussion by the Board of

Directors, including potential responses to HP, the Board of Directors directed Mr. Orr to inform HP that the Board of Directors had made no determination to sell Aruba, but that the Board of Directors was amenable to further dialogue regarding a potential strategic transaction. After this meeting, senior executives of Aruba and HP spoke regarding potential next steps.

On September 15, 2014, Messrs. Neri and Orr discussed whether Aruba could use the HP platform to become a stronger competitor. The parties agreed that certain members of management should meet and discuss potential synergies.

On September 17, 2014, HP provided Aruba with an initial high-level due diligence list and a proposed management presentation agenda. Aruba sent HP a draft confidentiality agreement in order to facilitate further discussions. Also on September 17, 2014, members of management and representatives of WSGR had an introductory call with HP to discuss scheduling management meetings and initial diligence processes. Ava Hahn, Aruba's General Counsel, indicated to HP that execution of the confidentiality agreement was a prerequisite to any such meetings.

On September 18, 2014, Messrs Orr and Neri had a call to discuss the meeting of the HP board of directors regarding a potential transaction with Aruba, which had occurred on September 17, 2014. Mr. Neri indicated that the HP board was supportive of continuing to explore a potential transaction. The parties also discussed management meeting attendees and the logistics of the meetings.

On September 23, 2014, senior executives of Aruba and HP met in person to further discuss the proposed potential combination and strategic rationale for the transaction.

On September 25, 2014, at a special meeting of the Board of Directors attended by senior executive officers of Aruba and representatives of Qatalyst Partners, the Board of Directors directed Qatalyst Partners to reach out to a select group of other potential strategic acquirors to solicit preliminary indications of interest and gauge their interest in pursuing a potential acquisition of Aruba. The Board of Directors instructed Aruba management and representatives of Qatalyst Partners to focus their outreach to a limited number of strategic parties with financial wherewithal and a strategic interest in mobile technology, with whom the Board of Directors believed Aruba would have the most compelling synergies and would thus be competitive with any potential proposal from HP. The Board of Directors determined to not contact any private equity firms because of the Board's belief that, given Aruba's volatile revenues and unpredictable cash flows and the potential for synergies between Aruba's businesses with a strategic acquiror, private equity firms would not be competitive in their potential valuations.

At the direction of the Board of Directors, between September 29, 2014 and October 2, 2014, representatives of Qatalyst Partners spoke with senior executives of five potential strategic acquirors. Party 1 was contacted on September 29, 2014 and, on that date, declined to proceed with evaluating a potential acquisition of the Company. Party 2 was contacted on September 30, 2014, Party 3 was contacted on October 1, 2014 and Parties 4 and 5 were contacted on October 2, 2014. Representatives of Qatalyst Partners provided regular updates to the Board of Directors regarding the status of the outreach process.

On October 2, 2014, following negotiations between Aruba and HP, the parties entered into a confidentiality agreement with a customary standstill provision, which we refer to as the "<u>Confidentiality Agreement</u>".

Later on October 2, 2014, management of Aruba and HP met in person to discuss the potential strategic transaction. The meetings included presentations by Aruba management to key members of the HP finance, engineering, channel, and corporate development teams, which included non-public information on Aruba's ongoing strategy and vision, its product roadmap, its go-to-market strategy, its financials, financial projections provided by management, and potential synergies that may result from a transaction. Representatives from Aruba included Mr. Orr, Keerti Melkote, Co-Founder and Chief Technology Officer, Michael Galvin, Chief Financial Officer, Greg Murphy, Vice President Business Operations, Aaron Bean, Vice President, Human Resources, and Ms. Hahn.

On October 3, 2014, Party 4 informed representatives of Qatalyst Partners that it was declining to engage in evaluating a potential acquisition of Aruba.

On October 5, 2014, Mr. Neri contacted Mr. Orr and informed him that the October 2 meetings had increased HP's interest in the potential transaction and that the product roadmap presented by Mr. Melkote indicated greater synergies than HP's prior assessment. Mr. Neri also told Mr. Orr that he was keeping Ms. Whitman apprised of the parties' progress.

On October 6, 2014, Party 2 informed representatives of Qatalyst Partners that it was declining to engage in evaluating a potential acquisition of Aruba.

Also on October 6, 2014, HP announced publicly that it was contemplating a spin-off transaction. In the potential spin-off, its enterprise business, Hewlett-Packard Enterprise, would be separated from its consumer business, HP Inc. Representatives of HP contacted Aruba's management, including Mr. Orr and Ms. Hahn, to assure Aruba that, despite its announcement, HP remained focused on the potential acquisition of Aruba and considered it important for the future growth of the enterprise business following the separation.

On October 7, 2014, HP provided a list of due diligence questions regarding products and technology, sales and marketing, customers, support and services, financials and legal matters to follow up on from the October 2, 2014 management meetings and requested phone calls with specific members of Aruba management.

On October 8, 2014, Party 5 informed representatives of Qatalyst Partners that it was declining to engage in evaluating an acquisition of Aruba.

On October 9, 2014, Party 3 informed representatives of Qatalyst Partners that it was declining to engage in evaluating an acquisition of Aruba.

From October 8, 2014 through October 13, 2013, HP and Aruba conducted a series of calls with Aruba management regarding products and technology, sales and marketing, customers, support and services, financials, and legal matters.

On October 16, 2014, at the request of Mr. Orr, who desired to better understand HP's go-to-market strategy and to discuss potential synergies, Messrs Orr and Murphy, Ms. Hahn, Joakim Johansson, the Vice President of Corporate Development at HP, Monique Nolk, the Vice President of Strategy and Operations at HP Networking and Matt Greenly, the CFO & Vice President, HP Servers and Networking, met to further discuss the potential strategic transaction. Parties in attendance at the meeting also discussed the follow-up diligence requests previously provided by HP.

On October 21, 2014, Mr. Orr met with Mr. Neri to further discuss the potential strategic transaction. At this meeting, Mr. Neri indicated that HP would need two to three more weeks to put an offer together.

On October 27, 2014, Aruba and HP held a call to discuss HP's diligence and evaluation process.

On November 3, 2014, the parties met to discuss the progress of discussions regarding the strategic transaction at HP. HP informed Aruba that it planned to bring the proposed strategic transaction to its board of directors at its meeting on November 19, 2014 and that it expected to be able to provide a proposal regarding the proposed transaction following that meeting.

On November 20, 2014, after the close of NASDAQ, Aruba announced its first quarter fiscal year 2015 financial results and provided guidance for the second quarter of its 2015 fiscal year that were below the consensus street estimate.

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On November 24, 2014, Mr. Neri informed Mr. Orr that HP's board had indicated that they wanted HP's management to prepare additional financial analyses regarding the proposed Aruba transaction and that HP would require an additional two to three weeks to address the HP board's questions. Mr. Orr informed Mr. Warmenhoven of HP's request and, after internal discussion, Aruba determined that it would suspend discussions with HP.

On November 25, 2014, Mr. Orr called Mr. Neri to inform Mr. Neri that Aruba was suspending the discussions regarding an acquisition transaction after concluding that three months of discussions was sufficient time and that, given the absence of any formal or informal proposals regarding price from HP, Aruba should continue to execute on its standalone operating plan. Mr. Orr also updated the Board of Directors on this recommended course of action.

On December 5, 2014, at a regular meeting of the Board of Directors attended by representatives of WSGR, Mr. Orr updated the Board of Directors on his conversation with Mr. Neri on November 25, 2014. The Board of Directors agreed that suspending discussions with HP at this juncture was the appropriate course of action.

By December 31, 2014, the trading price of Aruba's stock had experienced an overall decline to \$18.18 per share at market close on December 31, 2014. In late December 2014, Mr. Neri called Mr. Orr and informed him that Ms. Whitman had invited Mr. Orr to dinner, but did not provide a purpose for the dinner meeting.

On January 21, 2015, as a follow up to the late December invitation, Messrs. Orr and Neri had a dinner meeting with Ms. Whitman at which the parties reopened discussions regarding a strategic transaction and the strategic potentials of an HP acquisition of Aruba.

On January 27, 2015, at a special meeting of the Board of Directors attended by representatives of WSGR, Mr. Orr provided a summary of the discussions with Ms. Whitman on January 21, 2015. Messrs. Orr and Warmenhoven also discussed the possibility of retaining an additional financial advisor in connection with the discussions with HP if the Board of Directors elected to move forward with the proposed transaction. After discussion, the Board of Directors authorized the retention of Evercore Group L.L.C., which we refer to as "<u>Evercore</u>", based on its experience, reputation and other factors, including that it has no material commercial relationships with HP.

In late January 2015, a representative of Qatalyst Partners had an informal conversation with an executive at Party 6 on matters unrelated to a sale of Aruba. During their conversation, the representative of Qatalyst Partners inferred that Party 6 might be interested in a strategic transaction with Aruba. The representative of Qatalyst Partners then informed Mr. Warmenhoven.

On January 30, 2015, representatives of Qatalyst Partners reached out to a senior executive of Party 6, a potential strategic acquiror, to assess its interest in a potential acquisition of the Company.

On January 31, 2015, Aruba's second quarter of fiscal year 2015 ended.

On January 31, 2015, Aruba received a non-binding letter of intent from HP proposing an acquisition price of \$23.25 per share in cash. This price represented a premium of approximately 35% to the 30-day trailing average trading price of Aruba's stock. The proposal was subject to satisfactory completion of confirmatory due diligence, negotiation of a mutually acceptable definitive transaction document, the final approval of the transaction by HP's board and other customary transaction conditions, but was not subject to any third party financing condition.

Later on January 31, 2015, at a special meeting of the Board of Directors attended by representatives of WSGR and Qatalyst Partners, respectively, the Board of Directors discussed the non-binding letter of intent from HP. Mr. Orr provided a summary of his telephone calls with representative of HP regarding the letter of intent.

Representatives of Qatalyst Partners discussed with the Board of Directors financial aspects of the proposal. Representatives of WSGR discussed with the Board of Directors legal aspects of the proposal. Following the departure of the representatives of Qatalyst Partners from the meeting, the Board of Directors resolved to engage Evercore to act as an additional financial advisor to Aruba.

On February 1, 2015, Aruba engaged Evercore as an additional financial advisor in connection with the discussions with HP.

On February 2, 2015, at a special meeting of the Board of Directors at the offices of WSGR attended by representatives of WSGR, Qatalyst Partners and Evercore, Mr. Galvin presented a preliminary review of Aruba's financial results for the second quarter of fiscal year 2015 and presented financial projections prepared by management. The Board of Directors provided Mr. Galvin with feedback regarding the items presented. Also on February 2, 2015, Party 6 informed representatives of Qatalyst Partners that it was declining to engage in evaluating an acquisition of Aruba. No inbound inquiries were received by Aruba regarding a potential transaction from the time of the re-initiation of discussions with HP until the time of entry into the Merger Agreement, nor did Aruba have any substantive discussions with any other parties regarding the sale of its business.

On February 4, 2015, at a special meeting of the Board of Directors attended by representatives of WSGR, Evercore and Qatalyst Partners, the Board of Directors reviewed HP's January 31 proposal. WSGR reviewed the Board of Directors' fiduciary duties in connection with its receipt of the proposal from HP. Representatives of

Qatalyst Partners and Evercore each discussed with the Board of Directors financial aspects of the HP proposal. The Board of Directors discussed the proposal with a focus on how the proposal compared to Aruba's standalone financial plan in terms of maximizing stockholder value. Representatives of Qatalyst and Evercore, respectively, then discussed with the Board of Directors the manner in which to respond to HP with respect to its proposal. Following such discussions, the Board of Directors authorized representatives of Evercore to present a counter-proposal to HP of \$29.00 per share in cash.

Later on February 4, 2015, Evercore presented the counter-proposal to Barclays Capital Inc., financial advisor to HP, which we refer to as "<u>Barclays</u>", which informed Evercore verbally that it believed \$29.00 per share was significantly higher than the price at which HP was prepared to transact, but that the counter-proposal would be presented to HP.

On February 5 and 6, 2015, Evercore held short update calls with the Board of Directors to inform Aruba that no response had been received from Barclays and HP, but that it had been informed that HP was having internal discussions. HP's non-binding indication of interest was set to expire on February 6, 2015. Late on the night of February 6, 2015, Barclays reached out to Evercore to request a call for the following morning.

On February 7, 2015, Evercore had a call with Barclays, who informed Evercore that its client was of the view that there was a significant disconnect as to the value of Aruba and the potential synergies that would be provided by the proposed acquisition. Barclays communicated to Evercore that it had conducted extensive analysis of the value of Aruba generally and to HP specifically and that, while there might be an increase in price per share in a revised proposal, the increase would be in the context of "quarters, not dollars." Barclays also emphasized the importance of the timing of the transaction and the need to determine sooner, rather than later, whether agreement could be reached on the value of Aruba, particularly in light of the separation transaction involving Hewlett Packard Enterprise. Evercore responded that regardless of differing views as to value, if Barclays had a new price per share to propose, it should provide a formal proposal so that it could be evaluated by the Board of Directors and its advisors.

On February 8, 2015, Barclays communicated to Evercore verbally that there would be a proposal at approximately \$24.00 per share, but no written letter of intent was provided. In response to the informal proposal, Evercore advocated that a higher price per share was warranted.

In the first week of February, the trading price of Aruba's stock remained less than \$17.00 per share and, on February 6, 2015, the trading price of Aruba stock closed at \$16.33 per share.

On February 9, 2015, Barclays informed Evercore that a proposal would be made at \$24.67 per share in cash, which represented an approximately 51% premium to the closing price of Aruba's common stock on February 6, 2015, but no letter of intent was provided. A special meeting of the Board of Directors was called that same day and the Board of Directors instructed management to go back to senior executives at HP to propose a per share price of \$25.00.

Later on February 9, 2015, HP submitted a revised written proposal to the Company at a price of \$24.67 per share in cash, asserting in such written proposal that the price was its "best and final" offer. HP indicated that there would be no third party financing or funding conditions and no requirement for approval by HP shareholders, but that the offer was contingent on entry by HP and Aruba into a 30-day exclusivity agreement.

On February 10, 2015, the Board of Directors convened a special meeting to discuss the letter of intent. Representatives of Evercore described the negotiations with Barclays over the past few days. The Board of Directors discussed the solicitation process undertaken by its financial advisors, in which six of the strategic acquirors that presented the strongest strategic fit with Aruba had all declined to explore an acquisition transaction. The Board of Directors also discussed the recent weakness in the Aruba share price. The Board of Directors discussed the potential upside inherent in successfully executing on the "Aruba 2.0" strategy which management had proposed to the Board of Directors as its going-forward strategy as a stand-alone company, together with the risks inherent in executing on such a strategy. The "Aruba 2.0" strategy, which contemplated both a continued emphasis on growing core areas and a transformative shift in product focus, consisted of continuing 20-25% year-over-year growth, focusing on premium WLAN for enterprise customers, maintaining strong margins for Aruba's WLAN platform, integrating go-to-market teams and executing on cloud architecture in conjunction with a move to software subscriptions to capture recurring revenue. The Board of Directors then discussed whether to make a counter-offer to HP again at the \$25.00 per share price in light of the fact that HP had characterized its proposal as its "best and final" offer. After discussion, the Board of Directors concluded that \$24.67 per share in cash was a compelling offer for Aruba and authorized its management to enter into an exclusivity agreement with HP and commence negotiations on that basis.

On February 11, 2015, HP and Aruba entered into a 30-day exclusivity agreement which would terminate by its terms on March 13, 2015. Later on February 11, 2015, Aruba gave representatives of HP access to a virtual data room for the purposes of continued due diligence.

On or around February 13, 2015, representatives of HP requested an amendment to the Confidentiality Agreement to remove a provision prohibiting discussions regarding employee solicitations, in order to give HP the ability to negotiate employment-related matters.

On February 14, 2015, representatives of Gibson, Dunn and Crutcher LLP, which we refer to as "<u>Gibson</u> <u>Dunn</u>", counsel to HP, delivered a draft of the Merger Agreement to representatives of WSGR. Over the course of the next two weeks, counsel for the two parties, together with management from both parties, negotiated the terms of the Merger Agreement, with significant focus on deal protection measures, including the size of the termination fee potentially payable, regulatory approvals, closing certainty and other matters.

From February 15, 2015 through March 1, 2015, HP management engaged in detailed follow up due diligence with Aruba, including meetings between members of management of Aruba and HP, which included presentations on sales and marketing, product and technology, finance, accounting, tax and human resources.

On February 18, 2015, at a special meeting of the Board of Directors, the Board of Directors authorized management to enter into an amendment to the Confidentiality Agreement to remove a provision prohibiting discussions regarding employee solicitations, which we refer to as the "<u>Confidentiality Agreement Amendment</u>".

Later on February 18, 2015, the parties entered into the Confidentiality Agreement Amendment. On February 19, 2015, senior executives of both parties and an Evercore representative met to discuss timing and feasibility of the proposed transaction.

On February 24, 2015, Aruba was contacted by a reporter for Bloomberg Business requesting confirmation that HP was engaging in negotiations regarding a sale of Aruba to HP. Aruba declined to comment.

Early in the day on February 25, 2015, Bloomberg Business published a news article, which we refer to as the "<u>Bloomberg report</u>", reporting that HP and Aruba were conducting talks regarding a potential acquisition of Aruba by HP. Following the Bloomberg report, the trading price of Aruba stock experienced a marked increase of 21% from \$18.38 per share to \$22.24 per share.

On February 26, 2015, Aruba stock closed at a trading price of \$22.61 per share. After market close, Aruba released its financial results for its second quarter of fiscal year 2015, indicating year-over-year growth of 21% and record revenue of \$212.9 million.

Recognizing that, consistent with the unusual rise in stock price and trading volume in the days following the Bloomberg report, on February 27, 2015, Aruba's stock had been trading above the negotiated deal price and that the trading price of Aruba's stock at the close of market was \$24.81, the Board of Directors held a special meeting to determine whether to proceed with the proposed strategic transaction. At the meeting, representatives of Qatalyst Partners discussed with the Board of Directors the financial aspects of the HP proposal and the Company's earnings release and recent trading information regarding the Company and other companies in its industry in the immediate aftermath of their respective earnings announcements. The Board of Directors further discussed whether the positive earnings results altered its perception of the fundamentals of Aruba's business. After discussion, the Board of Directors determined that its conclusion about the favorability of the \$24.67 per share price relative to the fundamental financial metrics of Aruba had not changed. The Board of Directors then debated whether to insist on an upward adjustment to the purchase price to \$25.00 per share in light of the higher market price. After discussion, it was decided that because the higher trading price was primarily being driven by market speculation of a

transaction, and not by changes in the fundamentals of the business, HP would be unlikely to raise the transaction pricing in light of such market movements. The Board of Directors believed that, given the low likelihood of obtaining a higher per share price, Aruba should focus on obtaining a lower termination fee and increased commitment from HP on efforts to seek regulatory approvals. Following the Board of Directors' decision to proceed with the proposed transaction, representatives of WSGR and Gibson Dunn had several discussions during the period from February 28, 2015 to March 1, 2015 to finalize the remaining open terms of the Merger Agreement, disclosure schedules and voting agreement. The last two remaining issues in the Merger Agreement, which were heavily negotiated among the parties before agreement, were the size of the termination fee and covenants related to efforts to consummate the transaction.

On March 1, 2015, the Board of Directors convened a special meeting to consider the terms of the proposed strategic transaction. Also in attendance were members of Aruba's management and representatives of WSGR, Qatalyst Partners and Evercore. Evercore reviewed the negotiations with Barclays. Representatives of WSGR reviewed the key terms of the Merger Agreement and described changes to the Merger Agreement, which had been finalized with Gibson Dunn earlier that day. WSGR also reviewed the Board of Directors' fiduciary duties. The Board of Directors also discussed its view that the proposed price of \$24.67 per share in cash was fair to the Company's stockholders. Representatives of Qatalyst Partners reviewed with the Board of Directors its financial analyses of the consideration to be received by Aruba stockholders pursuant to the Merger Agreement, and then delivered to the Board of Directors Qatalyst Partners' oral opinion, subsequently confirmed in writing by delivery of a written opinion dated March 1, 2015, that, as of that date and based upon and subject to the factors, assumptions, consideration to be received by the holders of Aruba common stock, other than HP or any affiliates of HP, pursuant to the Merger Agreement was fair, from a financial point of view, to such holders. For more information about Qatalyst Partners' opinion, see the section of this proxy statement below captioned "*Opinion of Qatalyst Partners LP*". After discussing potential reasons for and against the proposed transaction (see below under the

heading "—Recommendation of the Board of Directors and Reasons for the Merger"), the Board of Directors unanimously (i) determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby were fair to and in the best interests of the Company's stockholders, (ii) approved and declared advisable the Merger Agreement and the transactions contemplated thereby, (iii) directed that the Merger Agreement be submitted to the stockholders of Aruba for adoption and (iv) resolved to recommend that Aruba's stockholders vote in favor of the adoption of the Merger Agreement and the transactions contemplated thereby. The Board of Directors also adopted a resolution authorizing an amendment to Aruba's bylaws to provide that Delaware courts would be the exclusive forum for certain types of claims relating to the Company.

Later on March 1, 2015, after the Board of Directors approved the transaction, representatives of HP presented Messrs. Orr and Melkote with draft employment agreements. Later that night and into the early morning of March 2, 2015, representatives of Messrs. Orr and Melkote negotiated and entered into employment agreements with HP for each of Mr. Orr and Mr. Melkote.

Following the meeting of the Board of Directors and the execution of the employment agreements with Messrs. Orr and Melkote, in the early hours of March 2, 2015, the parties executed the Merger Agreement and Voting Agreement. Following the execution of the Merger Agreement, the parties issued a joint press release announcing the transaction.

IV. RECOMMENDATION OF THE BOARD OF DIRECTORS AND REASONS FOR THE MERGER

A. Recommendation of the Board of Directors

The Board of Directors has unanimously (1) determined that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are advisable and in the best interests of Aruba and its stockholders; and (2) adopted and approved the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement.

The Board of Directors unanimously recommends that you vote (1) "FOR" the adoption the Merger Agreement and the transactions contemplated thereby; (2) "FOR" the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement and the transactions contemplated thereby at the time of the Special Meeting; and (3) "FOR" the non-binding, advisory proposal to approve certain compensation that will or may become payable by Aruba to its named executive officers in connection with the Merger.

B. Reasons for the Merger

In evaluating the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, the Board of Directors consulted with Aruba management, and representatives of its financial advisors and outside legal counsel. In recommending that stockholders vote in favor of adoption of the Merger Agreement and the transactions contemplated thereby the Board of Directors considered a number of factors, including the following (which factors are not necessarily presented in order of relative importance):

- The fact that the all-cash Merger Consideration will provide certainty of value and liquidity to stockholders, while eliminating the effect of long-term business and execution risk to stockholders.
- The relationship of the \$24.67 Merger consideration to the trading price of the common stock, including that the Merger Consideration constituted a premium of approximately (i) 44% from the average closing price of Aruba's common stock in the 30 calendar day period prior to February 24, 2015, the last trading day prior to the Bloomberg report on February 25, 2015 and (ii) 34% from the unaffected closing price of Aruba's common stock on February 24, 2015.
- The recent and historical market prices of Aruba's common stock.
- Its belief, based on discussions and negotiations with HP, that \$24.67 per share was the highest price HP would be willing to pay.
- The thorough review of Aruba's strategic and financial alternatives, including that:
 - representatives of Aruba's financial advisors contacted a total of six strategic buyers in an effort to obtain the best value reasonably available to stockholders and each declined to proceed with an evaluation of a potential strategic transaction;
 - its belief that it was unlikely that another party would be willing to pay more than \$24.67 in cash; and
 - the absence of any substantive inbound inquiries with respect to a potential strategic transaction between the Bloomberg report on February 25, 2015, and the announcement of the transaction.
- The multiples to revenues and net operating profit after tax implied by the \$24.67 Merger Consideration.
- The oral opinion of Qatalyst Partners, subsequently confirmed in writing, respectively, delivered to the Board of Directors that, as of March 1, 2015 and based upon and subject to the factors, assumptions, considerations, limitations and other matters set forth in its opinion, the \$24.67 Merger Consideration to be received by the holders of our common stock, other than HP or any affiliates of HP, pursuant to the Merger Agreement was fair, from a financial point of view, to such holders, as more fully described below in the section of this proxy statement captioned "— *Opinion of Qatalyst Partners LP*".
- The terms of the Merger Agreement and the related agreements, including:
 - Aruba's ability, under certain circumstances, to furnish information to and conduct negotiations with third parties regarding alternative acquisition proposals;
 - Aruba's ability to terminate the Merger Agreement in order to accept a Superior Proposal, subject to HP's ability to match such Superior Proposal and subject to paying HP a termination fee of \$90 million and other conditions of the Merger Agreement;
 - The fact that the Board of Directors believed that the termination fee of \$90 million is reasonable and not preclusive of other offers;
 - Aruba's entitlement to specific performance to prevent breaches of the Merger Agreement;

- That the Merger is subject to the approval of a majority of the outstanding stock of the Company; and
- The Board of Directors' view that the Merger Agreement was the product of arms'-length negotiation and contained customary terms and conditions.
- The Board of Directors' understanding of Aruba's business and operations, and its current and historical results of operations, financial prospects and condition.
- The perceived risk of continuing as an independent public company or pursuing other alternatives, including (1) the continuation of Aruba's business plan as an independent enterprise; (2) modifications to Aruba's strategy and product direction, including the execution on the "Aruba 2.0" business plan; (3) potential expansion opportunities into new business lines through acquisitions and combinations of Aruba with other businesses; and (4) potential divestitures of one or more product lines.
- The competitive landscape and the dynamics of the market for Aruba's products and technology; and the assessment that other alternatives were not reasonably likely to create greater value for stockholders than the Merger, taking into account execution risk as well as business, competitive, industry and market risk.
- The Board of Directors' view that the terms of the Merger Agreement would be unlikely to deter interested third parties from making a Superior Proposal, including the Merger Agreement's terms and

conditions as they relate to changes in the recommendation of the Board of Directors and the belief that the termination fee potentially payable to HP is reasonable in light of the circumstances, consistent with or below fees in comparable transactions and not preclusive of other offers (see the section of this proxy statement captioned "*The Merger Agreement* — *Other Covenants Under the Merger Agreement* — *Alternative Acquisition Proposals; Change in the Recommendation of Aruba's Board of Directors*").

The Board of Directors also considered a number of uncertainties and risks concerning the Merger, including the following (which factors are not necessarily presented in order of relative importance):

- the risks and costs to Aruba if the Merger does not close, including the diversion of management and employee attention, and the potential effect on our business and relationships with customers and suppliers;
- the fact that stockholders will not participate in any future earnings or growth of Aruba and will not benefit from any appreciation in value of Aruba, including any appreciation in value that could be realized as a result of improvements to our operations, including the recent restructuring;
- the requirement that Aruba pay HP a termination fee of \$90 million under certain circumstances following termination of the Merger Agreement, including if the Board of Directors terminates the Merger Agreement to accept a Superior Proposal;
- the restrictions on the conduct of Aruba's business prior to the consummation of the Merger, including the requirement that we conduct our business in the ordinary course, subject to specific limitations, which may delay or prevent Aruba from undertaking business opportunities that may arise before the completion of the Merger and that, absent the Merger Agreement, Aruba might have pursued;
- the fact that an all cash transaction would be taxable to Aruba's stockholders that are U.S. persons for U.S. federal income tax purposes;
- the fact that under the terms of the Merger Agreement, Aruba is unable to solicit other acquisition proposals during the pendency of the Merger;
- the significant costs involved in connection with entering into the Merger Agreement and completing the Merger and the substantial time and effort of Aruba management required to complete the Merger, which may disrupt our business operations;
- the fact that Aruba's business, sales operations and financial results could suffer in the event that the Merger is not consummated;
- the risk that the Merger might not be completed and the effect of the resulting public announcement of termination of the Merger Agreement on the trading price of our common stock;

- the fact that the completion of the Merger will require antitrust clearance in the United States and certain other countries;
- the fact that Aruba's directors and officers may have interests in the Merger that may be different from, or
 in addition to, those of Aruba's other stockholders (see below in the section of this proxy statement
 captioned "— Interests of Aruba's Directors and Executive Officers in the Merger"); and
- the fact that the announcement and pendency of the Merger, or the failure to complete the Merger, may cause substantial harm to Aruba's relationships with its employees (including making it more difficult to attract and retain key personnel and the possible loss of key management, technical, sales and other personnel), vendors and customers and may divert employees' attention away from Aruba's day-to-day business operations.

The foregoing discussion is not meant to be exhaustive, but summarizes many, if not all, of the material factors considered by the Board of Directors in its consideration of the Merger. After considering these and other factors, the Board of Directors concluded that the potential benefits of the Merger outweighed the uncertainties

and risks. In view of the variety of factors considered by the Board of Directors and the complexity of these factors, the Board of Directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors in reaching its determination and recommendations. Moreover, each member of the Board of Directors applied his or her own personal business judgment to the process and may have assigned different weights to different factors. The Board of Directors unanimously adopted and approved the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement and recommends that stockholders adopt the Merger Agreement and the transactions contemplated thereby based upon the totality of the information presented to and considered by the Board of Directors.

V. RETENTION OF EVERCORE GROUP L.L.C. [NOTE: EVERCORE DID NOT RENDER A FORMAL OPINION]

Aruba has agreed to pay Evercore for its services as a financial adviser to Aruba in connection with the Merger a success fee in an amount equal to 0.25% of the transaction value, or approximately \$7.4 million. The success fee is payable at, and contingent upon, consummation of the Merger. Aruba has also agreed to reimburse Evercore for its reasonable out-of-pocket third party expenses incurred in connection with Evercore's engagement and has agreed to indemnify Evercore and its affiliates against certain liabilities and expenses arising out of or in connection with Evercore's engagement.

During the two year period prior to the date hereof, no material relationship has existed between Evercore and its affiliates, on the one hand, and either HP or Aruba or any of their respective affiliates, on the other hand, pursuant to which compensation was received or is intended to be received by Evercore or its affiliates as a result of such a relationship, and no such relationship is mutually understood to be contemplated.

Evercore and its affiliates engage in a wide range of activities for their own accounts and the accounts of customers. In connection with these businesses or otherwise, Evercore and its affiliates and/or their respective employees, as well as investment funds in which any of them may have a financial interest, may at any time, directly or indirectly, hold long or short positions and may trade or otherwise effect transactions for their own accounts or the accounts of customers, in debt or equity securities, senior loans and/or derivative products relating to Aruba and its respective affiliates.

Aruba engaged Evercore to act as its financial advisor based on its qualifications, experience and reputation. Evercore is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and valuations for corporate and other purposes.

VI. OPINION OF QATALYST PARTNERS LP

We retained Qatalyst Partners to act as financial advisor to the Board of Directors in connection with a potential transaction such as the Merger and to evaluate whether the consideration to be received by the holders of our company common stock, other than HP or any affiliates of HP, pursuant to the Merger Agreement was fair, from a financial point of view, to such holders.

We selected Qatalyst Partners to act as our financial advisor based on Qatalyst Partners' qualifications, expertise, reputation and knowledge of the business and affairs of Aruba and the industry in which it operates. Qatalyst Partners has provided its written consent to the reproduction of the Qatalyst Partners' opinion in this proxy statement. At the meeting of the Board of Directors on March 1, 2015, Qatalyst Partners rendered its oral opinion, that, as of such date and based upon and subject to the considerations, limitations and other matters set forth therein, the \$24.67 per share cash consideration to be received by Aruba's stockholders, other than HP or any affiliates of HP, pursuant to the Merger Agreement was fair, from a financial point of view, to such holders. Qatalyst Partners delivered its written opinion, dated March 1, 2015, to the Board of Directors following the meeting of the Board of Directors.

The full text of Qatalyst Partners' written opinion to the Board of Directors, dated March 1, 2015, is attached hereto as Annex B and is incorporated by reference herein. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered, and limitations and qualifications of the review undertaken by Qatalyst Partners in rendering its opinion. You should read the opinion carefully in its entirety. Qatalyst Partners' opinion was provided to the Board of Directors and addresses only, as of the date of the opinion, the fairness from a financial point of view, of the \$24.67 per share cash consideration to be received by Aruba's stockholders, other than HP or any affiliates of HP, pursuant to the Merger Agreement, and it does not address any other aspect of the Merger. It does not constitute a recommendation as to how any stockholder should vote with respect to the Merger or any other matter and does not in any manner address the price at which Company common stock will trade at any time. The summary of Qatalyst Partners' opinion set forth herein is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Qatalyst Partners reviewed a draft, dated February 28, 2015, of the Merger Agreement, certain related documents, and certain publicly available financial statements and other business and financial information of Aruba. Qatalyst Partners also reviewed certain forward-looking information prepared by the management of Aruba, including financial projections and operating data of Aruba, which we refer to as the "<u>Management Projections</u>", described below in the section of this proxy statement entitled "The Merger — Management Projections". Additionally, Qatalyst Partners discussed with senior executives of Aruba the past and current operations, financial condition, and prospects of Aruba. Qatalyst Partners also reviewed the historical market prices and trading activity for Company common stock and compared the financial performance of Aruba and the prices and trading activity of Company common stock with that of certain other selected publicly-traded companies and their securities. In addition, Qatalyst Partners reviewed the financial terms, to the extent publicly available, of selected acquisition transactions and performed such other analyses, reviewed such other information and considered such other factors as Qatalyst Partners deemed appropriate.

In arriving at its opinion, Qatalyst Partners assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to, or discussed with, Qatalyst Partners by Aruba. With respect to the Management Projections, Qatalyst Partners was advised by the management of Aruba, and Qatalyst Partners assumed, that the Management Projections had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Aruba of the future financial performance of Aruba and other matters covered thereby. Qatalyst Partners assumed that the Merger will be consummated in accordance with the terms set forth in the draft, dated February 28, 2015, of the Merger Agreement, without any modification, waiver or delay. Qatalyst Partners also assumed that the final executed Merger Agreement will not differ in any material respect from the draft, dated February 28, 2015, of the Merger Agreement that Qatalyst Partners reviewed. In addition, Qatalyst Partners assumed that, in connection with the receipt of all the necessary approvals of the proposed Merger, no delays, limitations, conditions or restrictions will be imposed that could have an adverse effect on Aruba or the contemplated benefits expected to be derived in the proposed Merger. Qatalyst Partners did not make any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Aruba, nor was Qatalyst Partners furnished with any such evaluation or appraisal. In addition, Qatalyst Partners relied, without independent verification, upon the assessment of the management of Aruba as to the existing and future technology and products of Aruba and the risks

associated with such technology and products. Qatalyst Partners' opinion has been approved by Qatalyst Partners' opinion committee in accordance with its customary practice.

Qatalyst Partners' opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. Events occurring after the date of the opinion may affect Qatalyst Partners' opinion and the assumptions used in preparing it, and Qatalyst Partners has not assumed any obligation to update, revise or reaffirm its opinion. Qatalyst Partners' opinion does not address the underlying business decision of Aruba to engage in the Merger, or the relative merits of the Merger as compared to any strategic alternatives that may be available to Aruba. Qatalyst Partners' opinion is limited to the fairness, from a financial point of view, of the \$24.67 per share cash consideration to be received

by Aruba's stockholders, other than HP or any affiliates of HP, pursuant to the Merger Agreement, and Qatalyst Partners expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of Aruba's officers, directors or employees, or any class of such persons, relative to such consideration.

The following is a brief summary of the material analyses performed by Qatalyst Partners in connection with its opinion dated March 1, 2015. The analyses and factors described below must be considered as a whole; considering any portion of such analyses or factors, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Qatalyst Partners' opinion. For the purposes of certain of its analyses, Qatalyst Partners utilized both the consensus of third-party research analysts' projections, which we refer to as the "<u>Analyst Projections</u>", and the Management Projections. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by Qatalyst Partners, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Qatalyst Partners' financial analyses.

A. Illustrative Discounted Cash Flow Analysis

Qatalyst Partners performed an illustrative discounted cash flow analysis, which is designed to imply a potential, present value of share values for Aruba's common stock as of January 31, 2015 by:

- adding:
 - (a) the implied net present value of the estimated future unlevered free cash flows of Aruba, based on the Management Projections, for the third and fourth quarters of fiscal year 2015, ending July 31, 2015, through fiscal year 2019, ending July 31, 2019 (which implied present value was calculated by using a range of discount rates of 10.5% to 14.0%, based on an estimated weighted average cost of capital; and
 - (b) the implied net present value of a corresponding terminal value of Aruba, calculated by multiplying the estimated net operating profit after taxes ("NOPAT") (assuming a cash tax rate of 25%) in fiscal year 2020, based on the Management Projections, by a range of multiples of fully-diluted enterprise value to next-twelve-months NOPAT of 11.0x to 16.0x, and discounted to present value using the same range of discount rates used in item (a) above;
- applying a dilution factor of 28% provided by Aruba's management to reflect the dilution to current stockholders, assuming no buybacks, over the projection period due to the effect of future equity compensation grants projected by Aruba's management; and
- dividing the resulting amount by the number of fully-diluted shares (assuming treasury stock method) of Aruba's common stock outstanding, adjusted for restricted stock units and market stock units and stock options outstanding, as provided by Aruba's management as of February 27, 2015.

Based on the calculations set forth above, this analysis implied a range of values for Company common stock of approximately \$20.85 to \$30.02 per share.

B. Illustrative Selected Companies Analysis

Qatalyst Partners compared selected financial information and public market multiples for Aruba with publicly available information and public market multiples for companies selected by Qatalyst Partners. The companies used in this comparison included companies listed below and were selected because they are publicly traded companies in Aruba's industry.

Selected WLAN Vendors

Ubiquiti Networks, Inc. Ruckus Wireless Inc. Aerohive Networks, Inc. Meru Networks Inc.

Selected Pure Play Networking

F5 Networks Inc. Arista Networks, Inc. Radware Ltd. A10 Networks, Inc.

Selected Traditional Networking

Cisco Systems, Inc. Juniper Networks Inc. Brocade Communications Systems Inc.

Based upon research analyst consensus estimates for calendar year 2015, and using the closing prices as of February 27, 2015 for shares of the selected companies, Qatalyst Partners calculated, among other things, the implied price to earnings per share multiples for calendar year 2015, which we refer to as the "<u>CY2015E P/E</u> <u>Multiples</u>", for each group of the selected companies. The median CY2015E P/E Multiples among the selected WLAN Vendor companies analyzed was 20.5x, among the selected Pure Play Networking companies analyzed was 20.6x, and among the selected Traditional Networking companies analyzed was 13.4x. The CY2015E P/E Multiple for Aruba was 14.9x based on the Analyst Projections using Aruba's closing share price on February 24, 2015.

Based on an analysis of the CY2015E P/E Multiples for the selected companies, Qatalyst Partners selected a representative range of 14.0x to 20.0x and applied this range to Aruba's estimated calendar year 2015 per share earnings based on each of the Management Projections and the Analyst Projections. This analysis implied a range of values for Company common stock of approximately \$18.52 to \$26.46 per share based on the Management Projections and approximately \$17.23 to \$24.61 per share based on the Analyst Projections.

No company included in the selected companies analysis is identical to Aruba. In evaluating the selected companies, Qatalyst Partners made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Many of these matters are beyond the control of Aruba, such as the impact of competition on the business of Aruba and the industry in general, industry growth and the absence of any material adverse change in the financial condition and prospects of Aruba or the industry or in the financial markets in general. Mathematical analysis, such as determining the arithmetic mean, median, or the high or low, is not in itself a meaningful method of using selected company data.

C. Illustrative Selected Transactions Analysis

Qatalyst Partners compared seven selected public company transactions announced since 2008 selected by Qatalyst Partners. These transactions are listed below:

Announcement Date	Target	Acquiror
December 15, 2014	Riverbed Technology, Inc.	Thoma Bravo, LLC

April 15, 2014 December 9, 2011 November 16, 2010 November 11, 2009 October 1, 2009 July 21, 2008 Motorola Solutions, Inc.¹ Blue Coat Systems, Inc. Trapeze Networks, Inc. 3Com Corporation Tandberg Foundry Networks, Inc. Zebra Technologies Corporation Thoma Bravo, LLC Juniper Networks, Inc. Hewlett-Packard Company Cisco Systems, Inc. Brocade Communications Systems, Inc.

Note 1: Sale of Motorola Solution, Inc.'s enterprise assets.

For each of the transactions listed above, Qatalyst Partners reviewed, among other things, the implied fullydiluted enterprise value of the target company as a multiple of the last-twelve-months revenue, as reflected in certain publicly available financial statements and press releases, which we refer to as the "<u>LTM Revenue Multiple</u>". Qatalyst Partners also reviewed the implied fully-diluted enterprise value of the target company as a multiple of analyst estimates of the next-twelve-months revenue of the target company, when available, which we refer to as the "<u>NTM Revenue Multiple</u>". The median LTM Revenue Multiple among the selected transactions analyzed was 2.5x, and the median NTM Revenue Multiple among the selected transactions analyzed was 2.4x.

Based on the analysis of the LTM Revenue Multiples and NTM Revenue Multiples for the transactions noted above, Qatalyst Partners applied an LTM Revenue Multiple range of 1.4x to 3.4x (the minimum and maximum multiples for such transactions) to Aruba's LTM (ending January 31, 2015) revenue, and an NTM Revenue Multiple range of 2.0x to 3.2x (the minimum and maximum multiples for such transactions) to Aruba's NTM (ending January 31, 2016) estimated revenue reflected in the Analyst Projections. Based on the calculations set forth above and Aruba's fully-diluted shares (assuming the treasury stock method), including common stock, RSUs/MSUs and stock options outstanding as provided by management of Aruba as of February 27, 2015, this analysis implied a range of values for Aruba's common stock of approximately \$11.88 to \$25.33 per share, with Aruba's common stock value attributable to the median multiple of such transactions of \$19.40 per share based on the LTM multiples, and approximately \$17.54 to \$26.86 per share, with a median of \$20.80 per share, based on the NTM multiples.

For each of the transactions listed above, Qatalyst Partners also reviewed, among other things, the price per share paid for the target company as a multiple of the last-twelve-months earnings per share for the target company, as reflected in certain publicly available financial statements and press releases, which we refer to as the "<u>LTM P/E</u> <u>Multiple</u>". Qatalyst Partners also reviewed the price per share paid for the target company as a multiple of analyst estimates of the next-twelve-months earnings per share of the target company, which we refer to as the "<u>NTM P/E</u> <u>Multiple</u>". The median LTM P/E Multiple among the selected transactions analyzed was 22.0x, and the median NTM P/E Multiple among the selected transactions analyzed was 24.3x.

Based on the analysis of the LTM P/E Multiples and the NTM P/E Multiples for the transactions noted above, Qatalyst Partners applied an LTM P/E Multiple range of 18.4x to 25.3x (the minimum and maximum multiples for such transactions) to Aruba's LTM (ending January 31, 2015) earnings per share, and an NTM P/E Multiple range of 18.9x to 28.4x (the minimum and maximum multiples for such transactions) to Aruba's NTM (ending January 31, 2016) earnings per share reflected in the Analyst Projections. Based on the calculations set forth above, this analysis implied a range of values for Aruba's common stock of approximately \$18.34 to \$25.26 per share, with a median of \$21.96 per share, based on the LTM multiples, and approximately \$23.21 to \$34.91 per share, with a median of \$29.86 per share, based on the NTM multiples.

No company or transaction utilized in the selected transactions analysis is identical to Aruba or the Merger. In evaluating the selected transactions, Qatalyst Partners made judgments and assumptions with regard to general business, market and financial conditions and other matters, many of which are beyond the control of Aruba, such as the impact of competition on the business of Aruba or the industry generally, industry growth and the absence of any material adverse change in the financial condition of Aruba or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared. Because of the unique circumstances of each of these transactions and the Merger, Qatalyst Partners cautioned against placing undue reliance on this information.

D. Miscellaneous

In connection with the review of the Merger by the Board of Directors, Qatalyst Partners performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily amenable to a partial analysis or summary description. In

arriving at its opinion, Qatalyst Partners considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Qatalyst Partners believes that selecting any portion of its analyses, without considering all analyses as a whole, could create a misleading or incomplete view of the process underlying its analyses and opinion. In addition, Qatalyst Partners may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Qatalyst Partners' view of the actual value of Aruba. In performing its analyses, Qatalyst Partners made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Aruba. Any estimates contained in Qatalyst Partners' analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Qatalyst Partners conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, of the \$24.67 per share cash consideration to be received by Aruba's stockholders, other than HP or any affiliates of HP, pursuant to the Merger Agreement, and in connection with the delivery of its opinion to the Board of Directors. These analyses do not purport to be appraisals or to reflect the price at which Company common stock might actually trade.

Qatalyst Partners' opinion and its presentation to the Board of Directors was one of many factors considered by the Board of Directors in deciding to approve the Merger Agreement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Board of Directors with respect to the \$24.67 per share cash consideration to be received by Aruba's stockholders pursuant to the Merger or of whether the Board of Directors would have been willing to agree to different consideration. The \$24.67 per share cash consideration was determined through arm's-length negotiations between Aruba and HP and was approved by the Board of Directors. Qatalyst Partners provided advice to Aruba during these negotiations. Qatalyst Partners did not, however, recommend any specific consideration to Aruba or that any specific consideration constituted the only appropriate consideration for the Merger.

Qatalyst Partners provides investment banking and other services to a wide range of corporations and individuals, domestically and offshore, from which conflicting interests or duties may arise. In the ordinary course of these activities, affiliates of Qatalyst Partners may at any time hold long or short positions, and may trade or otherwise effect transactions in debt or equity securities or loans of Aruba, HP or certain of their respective affiliates. During the two year period prior to the date of Qatalyst Partners' opinion, no material relationship existed between Qatalyst Partners or any of its affiliates and Aruba or HP pursuant to which compensation was received by Qatalyst Partners or its affiliates; however, Qatalyst Partners and/or its affiliates may in the future provide investment banking and other financial services to Aruba or HP or any of their respective affiliates for which it would expect to receive compensation.

Under the terms of its engagement letter, Qatalyst Partners provided Aruba with financial advisory services in connection with the proposed Merger for which it will be paid approximately \$30 million, \$100,000 of which was payable upon the execution of its engagement letter, \$5 million of which was payable upon delivery of its opinion, and the remaining portion of which will be paid upon, and subject to, consummation of the Merger. Aruba has also agreed to reimburse Qatalyst Partners for its expenses incurred in performing its services. Aruba has also agreed to indemnify Qatalyst Partners and its affiliates, their respective members, directors, officers, partners, agents and employees and any person controlling Qatalyst Partners or any of its affiliates against certain liabilities, including liabilities under the federal securities law, and expenses related to or arising out of Qatalyst Partners' engagement.

VII. QATALYST OPINION

Annex B



March 1, 2015

Board of Directors Aruba Networks, Inc. 1344 Crossman Ave. Sunnyvale, CA 94089

Members of the Board:

We understand that Aruba Networks, Inc. (the "<u>Company</u>"), Hewlett-Packard Company ("<u>Parent</u>"), and Aspen Acquisition Sub, Inc., a wholly owned subsidiary of Parent ("<u>Merger Sub</u>"), propose to enter into an Agreement and Plan of Merger, substantially in the form of the draft dated as of February 28, 2015 (the "<u>Merger Agreement</u>"), pursuant to which, among other things, Merger Sub will merge with and into the Company (the "<u>Merger</u>"). Pursuant to the Merger, the Company will become a wholly owned subsidiary of Parent, and each outstanding share of common stock of the Company, par value \$0.0001 per share ("<u>Company Common Stock</u>"), other than shares held in treasury of the Company or owned, directly or indirectly, by Parent or Merger Sub or any of their respective subsidiaries, and shares as to which appraisal rights have been properly demanded, will be converted into the right to receive \$24.67 in cash. The terms and conditions of the Merger are more fully set forth in the Merger Agreement.

You have asked for our opinion as to whether the consideration to be received by the holders of shares of Company Common Stock, other than Parent or any affiliates of Parent, (the "<u>Holders</u>"), pursuant to the Merger Agreement is fair, from a financial point of view, to such Holders.

For purposes of the opinion set forth herein, we have reviewed a draft, dated February 28, 2015, of the Merger Agreement (the "Draft Merger Agreement"), certain related documents and certain publicly available financial statements and other business and financial information of the Company. We have also reviewed certain forward-looking information prepared by management of the Company, including financial projections and operating data of the Company (collectively, the "<u>Company Projections</u>"). Additionally, we discussed the past and current operations and financial condition and the prospects of the Company Common Stock and compared the financial performance of the Company and the prices and trading activity of Company Common Stock with that of certain other selected publicly-traded companies and their securities. In addition, we reviewed the financial terms, to the extent publicly available, of selected acquisition transactions and performed such other analyses, reviewed such other information and considered such other factors as we have deemed appropriate.

In arriving at our opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to, or discussed with, us by the Company. With respect to the Company Projections, we have been advised by the management of the Company, and have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company of the future financial performance of the Company and other matters covered thereby. We have assumed that the Merger will be consummated in accordance with the terms set forth in the Draft Merger Agreement, without any modification, waiver or delay. We also have assumed that the final executed Merger Agreement will not differ in any material respect from the Draft Merger Agreement reviewed by us. In addition, we have assumed that in connection with the receipt of all the necessary approvals of the proposed Merger, no delays, limitations, conditions or restrictions

will be imposed that could have an adverse effect on the Company or the contemplated benefits expected to be derived in the proposed Merger. We have not made any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Company, nor have we been furnished with any such evaluation or appraisal. In addition, we have relied, without independent verification, upon the assessment of the management of the Company as to the existing and future technology and products of the Company and the risks associated with such technology and products.

We have acted as financial advisor to the Board of Directors of the Company in connection with this transaction and will receive a fee for our services payable upon rendering of this opinion. We will also receive an additional, larger fee if the Merger is consummated. In addition, the Company has agreed to reimburse our expenses and indemnify us for certain liabilities arising out of our engagement. During the two year period prior to the date hereof, no material relationship existed between Qatalyst or any of its affiliates and the Company or Parent pursuant to which compensation was received by Qatalyst or its affiliates; however, Qatalyst and/or its affiliates may in the future provide investment banking and other financial services to the Company or Parent and their respective affiliates for which we would expect to receive compensation.

Qatalyst provides investment banking and other services to a wide range of corporations and individuals, domestically and offshore, from which conflicting interests or duties may arise. In the ordinary course of these activities, affiliates of Qatalyst may at any time hold long or short positions, and may trade or otherwise effect transactions in debt or equity securities or loans of the Company, Parent or certain of their respective affiliates.

This opinion has been approved by our opinion committee in accordance with our customary practice. This opinion is for the information of the Board of Directors of the Company and may not be used for any other purpose without our prior written consent. This opinion does not constitute a recommendation as to how any Holder should vote with respect to the Merger or any other matter and does not in any manner address the price at which Company Common Stock will trade at any time.

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. Our opinion does not address the underlying business decision of the Company to engage in the Merger, or the relative merits of the Merger as compared to any strategic alternatives that may be available to the Company. Our opinion is limited to the fairness, from a financial point of view, of the consideration to be received by the Holders pursuant to the Merger Agreement and we express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons, relative to such consideration.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the consideration to be received by the Holders pursuant to the Merger Agreement is fair, from a financial point of view, to such Holders.

Yours faithfully,

QATALYST PARTNERS LP