



Polycom/HP Acquisition FAQ

Customers

Q. What is the strategic rationale driving the acquisition of HP's Visual Collaboration Business Unit?

The acquisition of HP's Visual Collaboration business, and the related strategic agreements with HP, are truly groundbreaking developments in the UC industry, creating a path for Polycom and HP to offer customers end-to-end UC solutions that deliver enhanced choice, interoperability, investment protection, and ease of deployment to customers.

The transaction and strategic agreements bring together two world-class organizations to offer full UC solutions and high definition (HD)-quality, enterprise-class telepresence software to HP customers.

NOTE: HP has four strategic partners: Microsoft, Avaya, Alcatel-Lucent and Polycom.

Q. Do Halo suites currently interoperate with Polycom Telepresence solutions?

Halo uses proprietary Haivision Codecs based on MPEG-2 technology and supports 480p resolution. Polycom uses standards based technologies, like H.264, that are ratified by industry standards bodies. Polycom plans to invest in interoperability and enable Halo to connect with Polycom devices. Like any roadmap plans, more details are available under NDA.

Q. Will Polycom continue to sell Halo products and managed services?

Polycom is fully committed to continuing to service and delight all Halo telepresence and HVEN customers.

Q. How will Polycom manage the ongoing development and engineering of Halo products? Will the R&D teams be merged, and if so, what is the timeline for this process?

Yes. Polycom now owns all responsibility for development and engineering of Halo products. Individuals from both prior teams will drive our go-forward efforts for Polycom's complete, industry leading immersive telepresence portfolio.

Q. Will Polycom's solutions continue to be standards based?

Yes, there is no change to Polycom's commitment to deliver standards-based solutions that natively integrate with other standards-based offerings. We expect to also extend standards-based interoperability to Halo customers to extend the reach and value of their investments.

Q. What is Polycom's long-term strategy for competing in the VNOC service area? Will Polycom continue to sell these services and offer them to the current customer base?

Polycom will continue to provide existing VNOC services (HVEN) to customers to ensure a reliable, easy-to-use, end-to-end solution.

Q. We have heard about planned interop between Microsoft Lync and Halo solutions. Is that still happening?

We are committed to improving the return on investment for all Halo systems by driving interoperability between the Halo deployments and Polycom's industry-leading standard-based telepresence systems.

By leveraging the unmatched power and open, standards-based architecture of the UC Intelligent Core software platform, Polycom intends to further connect the Halo deployments to other UC applications, devices and partners over time. If you are interested in learning more about interoperability with Microsoft or other UC providers, please contact your account representation to schedule an NDA discussion.

Q. Will HP still sell OEM UC devices or infrastructure from other vendors?

Going forward, Polycom will serve as an exclusive partner to HP for telepresence and video UC solutions, including both resale and internal HP deployments. HP will resell certain Polycom UC solutions, including personal and group UC devices, UC infrastructure, UC managed services, and audio/video code. HP plans to use its extensive market reach to sell Polycom's full suite of UC solutions globally.

Q. What are Polycom's plans for HP's Gen-2/3 roadmap (customer may have been briefed under NDA)?

Polycom will fully support the existing version of Halo and to work toward interoperability with Polycom's growing installed base of 1M+ units of standards based devices. Polycom plans to continue support and development of its superior and broadly interoperable solutions rather than invest in development of a separate product line (including Gen-2 or Gen-3) after the acquisition.

Q. How does the acquisition and expanded HP relationship change Polycom's go-to-market strategy?

Polycom is not changing our strategy or vision. Our valued channel partners remain the cornerstone of our go-to-market approach. Polycom's uncompromising commitment to open standards and 100% channel orientation remains unchanged. Our strategy is to work closely with all our channel partners to grow our mutual businesses together and to jointly service our customers.

Rather, HP is shifting its strategy by selecting Polycom as an exclusive partner for telepresence and certain video solutions, and the move is a significant validation of Polycom's market leadership. As Shane Robison, HP executive vice president and chief strategy and technology officer, stated: "This transaction and alliance allows us to focus on executing our strategy in cloud computing and connectivity, while ensuring the long-term care of our customers and development of our services business."

This quote underscores Polycom's belief that the UC market is at a tipping point, and there is strong demand across all global markets. We expect this demand to continue to accelerate. Partners like HP will continue to generate awareness in the category, helping to advance the network effect of our UC Everywhere vision that will connect millions of people over video. This acceleration will provide every Polycom channel more traction and more opportunity in the markets or industries they serve as Polycom's brand becomes increasingly identified as the global UC industry leader.

Q. How does this agreement further differentiate Polycom vis-à-vis Cisco and other competitors?

By selecting Polycom, HP is making a strong statement to the market and their customers that further validates Polycom's superior solutions and open standards philosophy. This announcement will also provide greater reach in the market through HP's sales team and channels to compete against Cisco's proprietary, end-to-end solution.

Q. How does the announcement with HP about integrating Polycom's industry-leading video applications on HP's WebOS platform compare with solutions Polycom has been developing with Motorola and Samsung?

We are driving UC mobility partnerships to proliferate our high-quality telepresence software solutions across multiple platforms. The announcement with HP that we will integrate our industry-leading personal telepresence software video software application with HP's WebOS platform is a validation of that strategy. Our work and partnerships with Samsung and Motorola will continue, and together, we are targeting availability of joint solutions before the end of the year. Polycom's differentiated mobile UC strategy also includes plans to deliver our high-quality telepresence software application on Apple, RIM, and HTC mobile platforms.

Q. Who specifically within HP will be a reseller of Polycom's solutions?

Polycom will be an exclusive supplier of UC solutions to all HP divisions for both internal and external deployments, including personal and group UC devices, UC infrastructure, services, and audio/video code.

With respect to broadening Polycom global sales, our expanded agreement with HP will extend Polycom beyond HP Technical Services and the UC group with Technical Services to all of ESSN, the Enterprise Servers, Storage and Networking Group.

Q. What does this acquisition mean to me as a HALO customer? What changes should I expect if any?

- a. Polycom is fully committed to continuing to service and delight all HP telepresence and video customers.
- b. Halo and HVEN are planned to be integrated into Polycom's overall solutions portfolio.
- c. We are committed to the delivery of standards-based, inter-operable solutions for all of our customers, including the existing Halo/HVEN customer base. As noted separately, Halo customers will be offered incremental interoperability with both UC solutions and standard based telepresence solutions from Polycom.

Q. Who do I call for future concerns? Will my account representation be changing?

In most cases your account representation should not be changing. You should be hearing from them soon. If you have not, please contact Polycom by calling Ted Colton, Alliance Vice President, Microsoft and HP.

Q. Will my pricing or contractual agreements change?

This is not anticipated.

Q. Is HP exiting the Visual Collaboration space?

No. Polycom will serve as an exclusive partner to HP for telepresence and video UC solutions, including both resale and internal HP deployments. HP will resell certain Polycom UC solutions, including personal and group UC devices, UC infrastructure, UC managed services, and audio/video code. HP plans to use its extensive market reach to sell Polycom's full suite of UC solutions globally.

Q. I've been approached by Cisco and they are offering to replace my HALO deployments with CTS. Is Polycom offering anything similar?

If you are interested in upgrading your current telepresence solution, Polycom would like to set up a time to discuss your needs and to provide you with a proposal.

Q. I like my Halo system, if I transitioned from Halo to Polycom ITP, what are the benefits?

- a. Polycom are experts in video communication – robust ongoing support
- b. Polycom will fully support customers going forward on their existing Halo platform (including HVEN service).
- c. Base of over 1M units in market – plan to enable interop with those units thus increasing the value of Halo customers current investment
- d. Polycom will help them transition to next generation systems as their needs change.
- e. Polycom has the broadest relationships with leading UC providers that create a strong ecosystem for native integration – adding extended reach and incremental value to every Polycom deployment.