



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Please see attached.

18 Can any resulting loss be recognized? ▶ Please see attached.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Please see attached.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Brett A Cornell* Date ▶ 8/28/15

Print your name ▶ Brett A Cornell Title ▶ Senior VP Tax

**Paid Preparer Use Only**

|                            |                      |      |   |      |
|----------------------------|----------------------|------|---|------|
| Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| Firm's name ▶              | Firm's EIN ▶         |      |   |      |
| Firm's address ▶           | Phone no.            |      |   |      |

**Danaher Corporation**

**EIN: 59-1995548**

**Attachment to Form 8937 – Report of Organizational Actions Affecting Basis of Securities**

**Part II – Organizational Action**

**14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

On May 14, 2015, Danaher Corporation ("Danaher") commenced an exchange offer ("Split-off") related to the split-off of its communications business (the "Communications Business"). The split-off was in connection with Danaher's announcement on October 13, 2014, that Danaher would separate its Communications Business for purposes of it subsequently being combined with NetScout Systems, Inc. ("NetScout").

On July 9, 2015, Danaher announced that the exchange ratio, distributing 2.4000 common units of Potomac Holding LLC ("Newco") in redemption of each tendered and accepted share of Danaher common stock. On July 14, 2015, Danaher distributed all of the common units in redemption of the tendered and accepted shares of Danaher common stock.

On July 14, 2015, following consummation of the Split-off, a wholly owned subsidiary of NetScout ("Merger Sub"), merged into Newco, whereby Newco continued as a wholly owned subsidiary of NetScout (the "Merger"), and, subsequently, Newco merged into a wholly owned subsidiary of NetScout ("Merger Sub II"), whereby Merger Sub II continued as a wholly owned subsidiary of NetScout. In the Merger, each Newco common unit converted into the right to receive one share of NetScout common stock.

Newco common units were not actually transferred to Danaher shareholders participating in the Split-off; instead, those shareholders only received their allocable shares of NetScout common stock pursuant to the Merger.

**15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

Danaher shareholders participating in the Split-off surrendered their Danaher shares ("Redeemed Shares") but actually received only NetScout shares (as described above, Newco common units were not actually transferred to, and surrendered by, Danaher shareholders in the Split-Off and Merger). The basis and holding period of the Redeemed Shares carried over to the NetScout shares received. Therefore, 100% of the basis in the Redeemed Shares was allocated to the NetScout shares received.

**16. Describe the calculation of the change in basis and the data that supports the calculation, such as market value of securities and the valuation dates.**

See response to 15 above, for 100% of the basis in the Redeemed Shares being allocated to the NetScout shares received by the Danaher shareholders participating in the Split-off and Merger. In general, if more than one share of stock is received in exchange for one share of stock surrendered, the basis of the share surrendered is allocated among the shares received in proportion to the fair market value of the shares received. Because the shares issued by NetScout stock to participating Danaher shareholders have uniform value, the allocation of basis in Danaher shares surrendered is allocated based on the number of NetScout shares received.

In general, if surrendered shares of stock were purchased or acquired on different dates or at different prices and the shareholder is unable to identify which particular share (or allocable portion of a share) is received (or deemed received) in exchange for, or with respect to, a particular share surrendered, the shareholder may designate which

share is received in exchange for, or with respect to, a particular share surrendered, provided such designation is consistent with the terms of the exchange or distribution and applicable rules. In the case of a designation with respect to the Split-off and Merger, the designation must be made on or before the first date on which the basis of either the remaining Danaher shares (if any) or applicable NetScout shares is relevant.

**17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 355, 358 and 368.

**18. Can any resulting loss be recognized?**

The Split-off is treated as qualifying for non-recognition treatment pursuant to section 355 of the Internal Revenue Code, and the Merger is treated as qualifying for non-recognition treatment pursuant to section 354 of the Internal Revenue Code. However, gain or loss may be recognized by Danaher shareholders participating in the Split-Off and Merger with respect to any cash received in lieu of fractional shares to the extent the cash so received exceeds the applicable, fractional share's basis.

**19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Split-off was consummated on July 14, 2015. The Merger was consummated on July 14, 2015, immediately after the Split-off. All relevant information is set forth in the responses to the preceding questions of this Form 8937.