

## **SolarWinds to Be Acquired by Silver Lake and Thoma Bravo in a Transaction Valued at \$60.10 per Share and Total Equity Value of \$4.5 Billion**

AUSTIN, TX -- (Marketwired) -- 10/21/15 -- SolarWinds (NYSE: SWI), a leading provider of powerful and affordable IT management software, today announced that it has entered into a definitive agreement to be acquired by leading private equity technology investment firms Silver Lake Partners and Thoma Bravo, LLC. Under the terms of the agreement, SolarWinds stockholders will receive \$60.10 per share or approximately \$4.5 billion in cash. The agreement was approved by SolarWinds' Board of Directors following a comprehensive review of strategic alternatives.

"This transaction recognizes the strength of our unique business model and provides our shareholders with immediate and substantial cash value at a compelling premium," said Kevin B. Thompson, President and Chief Executive Officer of SolarWinds. "We remain committed to our customers and to delivering world class products to help IT professionals manage all things IT in today's increasingly performance-driven IT infrastructures. Becoming a private company will provide SolarWinds with optimal operating flexibility to execute on its long-term strategy of providing superior products for IT and Dev Ops Pros all over the world. We are extremely excited about partnering with Silver Lake and Thoma Bravo in the next chapter of the SolarWinds story."

"The Board of Directors evaluated a wide variety of strategic options," said Buzz Waterhouse, a member of the Board of Directors of SolarWinds. "Ultimately, the Board concluded that Silver Lake and Thoma Bravo's offer to acquire SolarWinds is the best way to maximize value for our stockholders."

"SolarWinds is an exceptional franchise, empowering IT professionals to solve a broad range of challenges every day," said Ken Hao and Mike Bingle, Managing Partners at Silver Lake. "We have been impressed by the SolarWinds team and their strong track record of growth. We see significant potential to extend and grow the SolarWinds franchise as a private company."

"Thoma Bravo is excited to partner with the SolarWinds' management team to propel the Company into its next stage of growth," said Orlando Bravo, a managing partner at Thoma Bravo. "We look forward to building upon SolarWinds' existing market leadership in network performance monitoring while also accelerating its current growth initiatives in Cloud, Hybrid and MSP environments," added Seth Boro, a managing partner at Thoma Bravo.

The purchase price represents a 43.5 percent premium to the closing price of SolarWinds common stock on October 8, 2015, one day prior to SolarWinds' announcement that it was exploring strategic alternatives.

The transaction, which is expected to close in the first calendar quarter of 2016, is subject to approval by SolarWinds stockholders, regulatory approvals and other customary closing conditions.

J.P. Morgan Securities LLC is serving as financial advisor, and DLA Piper LLP (US) is serving as legal advisor to SolarWinds. Kirkland & Ellis LLP is serving as legal advisor to Thoma Bravo and Ropes & Gray LLP is serving as legal advisor to Silver Lake.

### **About SolarWinds**

SolarWinds (NYSE: SWI) provides powerful and affordable hybrid IT infrastructure management software to customers worldwide from Fortune 500(R) enterprises to small businesses, government agencies and educational institutions. We are committed to focusing exclusively on IT Pros, and strive to eliminate the complexity that they have been forced to accept from traditional enterprise software vendors. Regardless of where the IT asset or user sits, SolarWinds delivers products that are easy to find, buy, use, maintain, and scale while providing the power to address all key areas of the infrastructure from on premises to the Cloud. Our solutions are rooted in our deep connection to our user base, which interacts in our thwack(R) online community to solve problems, share technology and best practices, and directly participate in our product development process. Learn more today at <http://www.SolarWinds.com/>.

### **About Silver Lake**

Silver Lake is the global leader in technology investing, with over \$26 billion in combined assets under management and committed capital. The firm's portfolio of investments collectively generates more than \$85 billion of revenue annually and employs more than 170,000 people globally. Silver Lake has a team of approximately 100 investment and value creation professionals located in New York, Menlo Park, San Mateo, London, Hong Kong and Tokyo. The firm's current portfolio includes leading technology and technology-enabled businesses such as Alibaba Group, Avago, Avaya, Dell, Global Blue, Go Daddy, Hillstone Networks, Intelsat, Interactive Data Corporation, Qunar, Quorum Business Solutions, Red Ventures, Sabre, SMART Modular, SunGard, Vantage Data Centers, Virtu Financial and WME/IMG. For more information about Silver Lake and its entire portfolio, please visit [www.silverlake.com](http://www.silverlake.com).

### **About Thoma Bravo, LLC**

Thoma Bravo is a leading private equity investment firm building on a 30+ year history of providing equity and strategic support to experienced management teams and growing companies. The firm seeks to create value by collaborating with company management to improve business operations and provide capital to support growth initiatives. Thoma Bravo invests with a particular focus on application and infrastructure software and technology enabled services. The firm currently manages a series of private equity funds representing more than \$8.5 billion of equity commitments. For more information, visit [www.thomabravo.com](http://www.thomabravo.com).

### **Additional Information and Where to Find It**

In connection with the merger, SolarWinds, Inc. (the "Company") intends to file relevant materials with the Securities and Exchange Commission (the "SEC"), including a preliminary proxy statement on Schedule 14A. Promptly after filing its definitive proxy statement with the SEC, the Company will mail the definitive proxy statement and a proxy card to each stockholder entitled to vote at the special meeting relating to the merger. INVESTORS AND SECURITY HOLDERS OF THE COMPANY ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE MERGER THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY AND THE MERGER. The definitive proxy statement, the preliminary proxy statement and other relevant materials in connection with the merger (when they become available), and any other documents filed by the Company with the SEC, may be obtained free of charge at the SEC's website (<http://www.sec.gov>) or at the Company's website [www.solarwinds.com](http://www.solarwinds.com) or by writing to the Company's Secretary at 7171 Southwest Parkway, Building 400, Austin, TX 78735.

### **Participants in the Solicitation**

The Company and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the Company's stockholders with respect to the merger. Information about the Company's directors and executive officers and their ownership of the Company's common stock is set forth in the proxy statement on Schedule 14A filed with the SEC on April 3, 2015 and the Company's Annual Report on Forms 10-K for the fiscal year ended December 31, 2014. Information regarding the identity of the potential participants, and their direct or indirect interests in the merger, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with SEC in connection with the merger.

### **Forward-looking statements**

This press release, and the documents to which the Company refers you in this communication, contains not only historical information, but also forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements represent the Company's expectations or beliefs concerning future events, including the timing of the transaction and other information relating to the transaction.

Forward-looking statements include information concerning possible or assumed future results of operations of the Company, the expected completion and timing of the transaction and other information relating to the transaction. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "intends," "forecasts," "should," "estimates," "contemplate," "future," "goal," "potential," "predict," "project," "projection," "may," "will," "could," "should," "would," "assuming" and similar expressions are intended to identify forward-looking statements. You should read statements that contain these words carefully. They discuss the Company's future expectations or state other forward-looking information and may involve known and unknown risks over which the Company has no control. Those risks include, (i) the risk that the transaction may not be completed in a timely manner or at all, which may adversely affect the Company's business and the price of the common stock of the Company, (ii) the failure to satisfy of the conditions to the consummation of the transaction, including the adoption of the merger agreement by the stockholders of the Company and the receipt of regulatory approvals from various domestic and foreign governmental entities (including any conditions, limitations or restrictions placed on these approvals) and the risk that one or more governmental entities may deny approval, (iii) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement, (iv) the risk that the definitive merger agreement may be terminated in circumstances that require the Company to pay a \$159 million termination fee and/or reimburse the buyers' expenses; (v) risks regarding the failure to obtain the necessary financing to complete the merger, (vi) the effect of the announcement or pendency of the transaction on the Company's business relationships, operating results and business generally, (vii) risks that the proposed transaction disrupts current plans and operations, (viii) risks related to diverting management's attention from the Company's ongoing business operations, and (ix) the outcome of any legal proceedings that may be instituted against us related to the merger agreement or the transaction.

Forward-looking statements speak only as of the date of this communication or the date of any document incorporated by reference in this document. Further risks that could cause actual results to differ materially from those matters expressed in or implied by such forward-looking statements are described in the Company's SEC reports, including but not limited to the risks described in the Company's Annual Report on Forms 10-K for its fiscal year ended December 31, 2014 and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015 and

June 30, 2015. Except as required by applicable law or regulation, the Company does not undertake to update these forward-looking statements to reflect future events or circumstances.

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