



Mega Company

Transaction of the Year

Avaya, Inc.

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Santa Clara, California-based Avaya is the largest provider of call center software and a global leader in “unified communications” — integrating conferencing, messaging, video, data, voice, and more. It became an independent company in 2000, when it spun-off to public shareholders of Lucent Technologies, Inc., itself a spin-off from AT&T. It then went private in 2007 while operating at \$8.2 billion with \$5.3 billion of debt, but encountered significant strain as a result of the Great Recession along with the market shift away from hardware-based business communications toward software and services offerings, and increased competition from large competitors.

In the years prior to its chapter 11 filing, Avaya instituted broad-based initiatives to improve overall profitability and address significant debt and legacy liabilities. It also explored various out-of-court restructuring alternatives, including monetizing its contact center business, which did not ultimately occur.

In 2017, Avaya filed for bankruptcy protection under chapter 11, saying that its foreign operations would be unaffected. Avaya listed \$5.5 billion in assets, \$6.3 billion in debts, and \$2 billion of legacy liabilities.

During the bankruptcy period, Avaya sold its networking business and associated products to [Extreme Networks](#) for \$100 million.

In late 2017 to early 2018, the company emerged with a new leadership team and a revised strategy based on accelerating open, cloud-first architecture; integrating artificial intelligence, blockchain and emerging technologies, and transforming the business through increased investment in innovation.

In December 2017, Avaya again became a public company. Several months later, Avaya regained its position as a leader in the Gartner Magic Quadrant for Unified Communications, the ninth time that the company has been in a leader position -- and was also positioned as a

leader in the Gartner Magic Quadrant for Contact Center Infrastructure for the 17th time. Companies in the leaders quadrant of the Gartner Magic Quadrant are defined as companies that “execute well against their current vision and are well positioned for tomorrow.”