

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE SCIENTIFIC-ATLANTA, INC.
SECURITIES LITIGATION

CIVIL ACTION NO.
1:01-CV-1950-RWS

NOTICE OF PENDENCY OF CLASS ACTION

If you purchased or otherwise acquired the securities of Scientific-Atlanta, Inc. (“S-A”) (ticker symbol: “SFA”) between January 18, 2001 and August 16, 2001, inclusive and retained said securities on or after July 19, 2001, or if you sold put options of S-A between January 18, 2001 and August 16, 2001, inclusive, which options were exercised on or after July 19, 2001, your interests could be affected.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- This lawsuit concerns whether you paid too high a price for S-A securities or sold put options at an exercise price that was too high. The Plaintiffs claim that S-A and two of its officers misled investors about demand for S-A’s products and engaged in accounting practices that were contrary to Generally Accepted Accounting Principles (“GAAP”) in violation of federal securities laws. Defendants deny the claims in the lawsuit. The parties disagree on liability and damage issues. See Question 3 below for a more detailed explanation.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS AT THIS TIME

DO NOTHING	You will be bound by the result of this lawsuit. You may receive compensation if the case is successful and if you are an eligible member of the Class. You will receive nothing if the case is unsuccessful.
EXCLUDE YOURSELF	You will not be bound by the results of this lawsuit. If it is successful, you will not receive any payment. This is the only option that allows you to potentially participate in any other lawsuit against Defendants based on the legal claims in this case.

- The right to exclude yourself (“opt out”) from this lawsuit is explained in this notice. **The deadline to opt out is December 4, 2009 (postmarked).**
- Further information regarding this case may be obtained by contacting Plaintiffs’ Co-Lead Counsel:

Craig G. Harley, Esq.
Meryl W. Roper, Esq.
CHITWOOD HARLEY HARNES LLP
1230 Peachtree Street, NE
2300 Promenade II
Atlanta, GA 30309
Telephone: (404) 873-3900

Or

Juli E. Farris, Esq.
KELLER ROHRBACK L.L.P.
1201 Third Avenue, Suite 3200
Seattle, WA 98101-3052
Telephone: (206) 623-1900

QUESTIONS? CALL TOLL-FREE 1 (888) 250-5832 OR VISIT WWW.SFASTOCKSUIT.COM

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BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family may have purchased securities of Scientific-Atlanta, Inc. or sold put options (“S-A securities”) as described on the first page of this Notice between January 18, 2001 and August 16, 2001 (inclusive). The Court in charge of the case is the United States District Court for the Northern District of Georgia, Atlanta Division, and the case is known as *In re Scientific-Atlanta, Inc. Securities Litigation*, Master File No. 1:01-CV-1950 RWS. U.S. District Judge Richard W. Story is in charge of this class action. The people who sued are called Plaintiffs, and the company and individuals they sued — Scientific-Atlanta, Inc., James F. McDonald and Wallace G. Haislip — are called Defendants.

The Court authorized this notice because you have a right to know about this class action lawsuit and about all of your options. This package explains the lawsuit, your legal rights, and what you must do to preserve your legal rights.

2. Who is a Member of the Class?

By Order of September 7, 2007, the Court has defined the Class as follows:

All persons who purchased or otherwise acquired the securities of Scientific-Atlanta, Inc. (“S-A”) between January 18, 2001 and August 16, 2001, inclusive and retained said securities on or after July 19, 2001, or who sold put options of S-A between January 18, 2001 and August 16, 2001, inclusive, which options were exercised on or after July 19, 2001 (the “Class”). Notwithstanding the foregoing, the following persons and entities are excluded from the Class: (i) the Defendants to this action; (ii) the officers and directors of S-A; (iii) any entity in which any Defendant or officer or director of S-A has or had a controlling interest; and (iv) the legal affiliates, representatives, heirs, controlling persons, successors and predecessors in interest or assigns of any of the persons or entities identified in (i), (ii) or (iii) above.

3. What is this lawsuit about?

Plaintiffs filed a complaint against Defendants. Plaintiffs made the following allegations in the Complaint:

The Complaint avers that, because of [issues concerning cancelled orders and cable companies’ reductions in spending], management became concerned about the Company’s ability to meet market expectations and what effect the declining demand would have on the stock price. Allegedly because of this concern, S-A sought to induce customers to increase substantially their purchases before they would, in the normal course, otherwise purchase S-A’s products. This practice, commonly referred to as “channel stuffing” has the effect of shifting earnings into earlier quarters to the detriment of earnings in later quarters. The Company encouraged sales by giving special discounts, offering longer payment terms, and giving credits to customers who agreed to receive and store excess inventory in warehouses. According to Plaintiffs, S-A concealed these practices not only by failing to disclose the activity but also by violating the revenue recognition policies outlined in the Generally Accepted Accounting Principles (“GAAP”), notably by invoicing for product the Company had not delivered to the customers. During this period, S-A did nothing to inform shareholders of the alleged difficulties or the channel stuffing and accounting practices. . . .

In addition, Plaintiffs assert that Defendants should have disclosed the fact that demand for S-A products was declining and that S-A was cutting back production. . . .

On July 19, 2001, S-A announced that the Company failed to meet revenue forecasts for fiscal year 2001 due to decreased demand for its products. At the same time, S-A reduced its earnings forecasts for the first quarter of fiscal year 2002. As a result of the announcement, the price of S-A common stock plummeted, dropping from \$35.08 per share to \$22.80 per share. On August 16, 2001, Defendants filed their Form 10-K for fiscal year 2001 with the SEC, and the filing reported the reduced demand and customers' accumulated inventories. The price of S-A stock fell from \$25.01 per share to \$21.24 per share.

Defendants deny all of Plaintiffs' allegations and claims. Defendants' position is that the lawsuit has no merit and the evidence does not support Plaintiffs' claims. Defendants believe the evidence shows that S-A's accounting practices and financial statements were fully in compliance with Generally Accepted Accounting Principles ("GAAP") and that S-A did not engage in any improper sales practices. Defendants further believe that the evidence shows their public statements were accurate and made in good faith. Defendants deny they engaged in any misconduct.

4. Why is this a class action?

In a class action, one or more persons or entities called Class Representatives sue on behalf of all persons and/or entities who have similar claims. These persons and/or entities are referred to collectively as a Class, or individually, as Class Members. In a class action, one court resolves all of the issues for all Class Members, except for any Class Members who exclude themselves from the Class.

5. What do I gain if I remain in the Class?

Unless you choose to exclude yourself, you will remain in the Class. If you remain in the Class and the Class receives a recovery through judgment or settlement, you will be entitled to a share of the recovery, and you may object to any proposed settlement that you believe is inadequate. If the case is resolved in the Class's favor, an additional notice explaining how recoveries are determined will be provided before any distribution. If the case is not resolved in the Class's favor, you will receive nothing.

6. What am I giving up to stay in the Class?

Unless you choose to exclude yourself, you will remain in the Class. If the case is resolved at or before trial, you and all Class Members will release or have finally decided all claims against the Defendants related to your S-A investments during the Class Period (and you will not be able to sue, continue to sue, or be part of any other lawsuit asserting those claims). All of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE CASE

7. How do I exclude myself from the case?

If you want to preserve your right to sue or continue to sue Defendants on your own regarding the legal issues in this case, then you must take steps to exclude yourself from this class action — sometimes referred to as "opting out" of the Class.

To exclude yourself from this case, you must send a letter by mail stating that you want to be excluded from *In re Scientific-Atlanta, Inc. Securities Litigation*, Master File No. 1:01-CV-1950 RWS. Be sure to include your name, address, telephone number, and your signature, along with information regarding your

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purchases and/or sales of S-A securities and sale/exercise of S-A put options in the period from January 18, 2001 to August 16, 2001, inclusive. You must mail your exclusion request, postmarked no later than December 4, 2009, to:

Claims Administrator
In re Scientific-Atlanta, Inc. Securities Litigation
c/o The Garden City Group, Inc.
P.O. Box 9391
Dublin, OH 43017-4291

and

Craig G. Harley, Esq.
Meryl W. Roper, Esq.
CHITWOOD HARLEY HARNES LLP
1230 Peachtree Street, NE
2300 Promenade II
Atlanta, GA 30309

Juli E. Farris, Esq.
KELLER ROHRBACK, L.L.P.
1201 Third Avenue, Suite 3200
Seattle, WA 98101-3052

Plaintiffs' Class Counsel

Plaintiffs' Class Counsel

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not receive a settlement payment if the case is resolved in favor of the class, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Defendants in the future.

8. If I do not exclude myself, can I sue Defendants for the same thing later?

Unless you exclude yourself, you give up any right to sue Defendants for claims related to your S-A investment during the Class Period. If you have a pending lawsuit, speak to your lawyer in that case immediately. You may need to exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is December 4, 2009 (postmarked).

9. If I exclude myself, can I get money if there is a verdict or settlement?

No. If you exclude yourself, you cannot receive money if there is a verdict in favor of the Plaintiffs or a settlement. But you may be able to sue, continue to sue, or be part of a different lawsuit against Defendants. **If you elect to opt out, please be advised that important deadlines to your right to sue may soon expire.** You may wish to consult a lawyer immediately to preserve your rights.

THE LAWYERS REPRESENTING YOU

10. Do I have a lawyer in this case?

The Court approved the law firms of Chitwood & Harley, LLP, n/k/a Chitwood Harley Harnes LLP, and Keller Rohrback L.L.P. to represent you and the other Class Members. The lawyers in these firms are called Plaintiffs' Counsel or Class Counsel. Class members will not be charged by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. If you elect to exclude yourself from the case, Class Counsel cannot represent you.

11. How will the lawyers be paid?

Plaintiffs' Counsel have expended considerable time litigating this case on a contingent fee basis and have advanced expenses with the expectation that if they are successful, they would receive fees and be reimbursed for their expenses from a verdict or settlement. If Plaintiffs recover, either through a verdict or a settlement, Plaintiffs' Counsel will ask the Court to award reasonable attorneys' fees and reimburse their

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expenses. Any amounts awarded by the Court will come out of the funds available to the Class. Class members will be informed of a fee request by Counsel and will have an opportunity to comment or object. If the action is unsuccessful, Counsel will not be paid fees or have their expenses reimbursed. **YOU WILL NOT BE PERSONALLY RESPONSIBLE FOR ATTORNEYS' FEES OR COSTS UNDER ANY CIRCUMSTANCES.** There will be no cost to you except for a deduction from your share of any ultimate recovery.

IF YOU DO NOTHING

12. What happens if I do nothing at all?

If you do nothing, you will remain in the Class. If you do not exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants regarding the legal issues in this case.

GETTING MORE INFORMATION

13. How do I obtain more information about the case?

You can: (1) call 1-888-250-5832 toll free; (2) write to Claims Administrator, In re Scientific-Atlanta, Inc. Securities Litigation, c/o The Garden City Group, Inc., P.O. Box 9391, Dublin, OH 43017-4291 or (3) visit the website at www.sfastocksuit.com, where you will find answers to common questions about the case, plus other information to help you determine whether you are a Class Member.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased S-A securities or sold put options during the Class Period as nominee for a beneficial owner, then within ten (10) days after you receive this Notice, you must either: (a) send a copy of this Notice by first-class mail to all such beneficial owners; or (b) provide a list, electronically if possible, of the names and addresses of such beneficial owners to the Claims Administrator:

Claims Administrator
In re Scientific-Atlanta, Inc. Securities Litigation
c/o The Garden City Group, Inc.
P.O. Box 9391
Dublin, OH 43017-4291

If you chose option (a) above, you may request enough Notices from the Claims Administrator (at no charge) to complete your mailing. You may seek reimbursement of your reasonable expenses actually incurred in complying with these directives, subject to approval of Plaintiffs' Counsel or the Court. All communications concerning this matter should be addressed to the Claims Administrator.

INQUIRIES

All inquiries concerning this Notice, or any other questions by Class Members should be directed to the Claims Administrator or the Attorneys listed above.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE

DATED: August 31, 2009

BY ORDER OF THE DISTRICT COURT:
RICHARD W. STORY, JUDGE

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