

Starent Networks, Corp.
Form DEFM14A
November 09, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party Other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Starent Networks, Corp.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.

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x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

Common stock, par value \$0.001 per share, of Starent Networks, Corp.

2. Aggregate number of securities to which transaction applies:

72,015,949 shares of Starent common stock, 9,317,930 shares of Starent common stock underlying outstanding stock options and 1,006,463 shares of Starent common stock subject to settlement of restricted stock units, each outstanding as of October 9, 2009

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

The filing fee was determined based on the sum of (a) 72,015,949 shares of Starent common stock multiplied by \$35.00 per share; (b) 9,317,930 shares of Starent common stock underlying outstanding stock options with exercise prices less than \$35.00 per share multiplied by \$25.54 (which is the difference between \$35.00 per share and the weighted average exercise price per share); and (c) 1,006,463 shares of Starent common stock issuable upon settlement of restricted stock units multiplied by \$35.00 per share. The filing fee was determined by multiplying \$0.00005580 by the sum of the preceding sentence.

4. Proposed maximum aggregate value of transaction:

2,793,764,352.20

5. Total fee paid:

\$155,893

x Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:

Form, Schedule or Registration Statement No.:

Filing Party:

Date Filed:

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STARENT NETWORKS, CORP.

30 International Place

Tewksbury, Massachusetts 01876

November 9, 2009

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders of Starent Networks, Corp. to be held on December 11, 2009, at 10:00 a.m., local time, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109.

At the special meeting, you will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of October 12, 2009, by and among Cisco Systems, Inc., Barcelona Acquisition Corp., a wholly-owned subsidiary of Cisco, and Starent Networks, Corp., as such agreement may be amended from time to time. Pursuant to the merger agreement, Barcelona Acquisition Corp. will merge with and into Starent and Starent will become a wholly-owned subsidiary of Cisco. We are also asking that you grant the authority to vote your shares to adjourn the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes in favor of adoption of the merger agreement at the time of the special meeting.

If the merger is completed, Starent stockholders will be entitled to receive \$35.00 in cash, without interest and less any applicable withholding taxes, for each share of Starent common stock owned by them as of the date of the merger.

Our board of directors unanimously determined that the merger agreement and the terms and conditions of the merger and the merger agreement are fair to, advisable and in the best interests of Starent and its stockholders. **Our board of directors has unanimously approved the merger agreement. Our board of directors unanimously recommends that you vote FOR the adoption of the merger agreement at the special meeting.**

Our board of directors considered a number of factors in evaluating the transaction and consulted with its legal and financial advisors. The enclosed proxy statement provides detailed information about the merger agreement and the merger. We encourage you to read this proxy statement carefully in its entirety.

Your vote is very important, regardless of the number of shares you own. The proposal to adopt the merger agreement must be approved by the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting. Therefore, if you do not return your proxy card, submit a proxy via the Internet or telephone or attend the special meeting and vote in person, it will have the same effect as if you voted AGAINST adoption of the merger agreement. Only stockholders who owned shares of Starent common stock at the close of business on November 6, 2009, the record date for the special meeting, will be entitled to vote at the special meeting. To vote your shares, you may return your proxy card, submit a proxy via the Internet or telephone or attend the special meeting and vote in person. Even if you plan to attend the meeting, **we urge you to promptly submit a proxy for your shares via the Internet or telephone or by completing, signing, dating and returning the enclosed proxy card.**

Thank you for your support of Starent.

Sincerely,

Ashraf M. Dahod

President and Chief Executive Officer

This proxy statement is dated November 9, 2009 and is being mailed to stockholders of Starent on or about November 10, 2009.

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STARENT NETWORKS, CORP.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of Starent Networks, Corp.:

Starent Networks, Corp., a Delaware corporation ("Starent"), will hold a special meeting of stockholders at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, at 10:00 a.m., local time, on December 11, 2009, for the following purposes:

To consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of October 12, 2009, by and among Cisco Systems, Inc., a California corporation, Barcelona Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Cisco, and Starent Networks, Corp., a Delaware corporation, as such agreement may be amended from time to time; and

To consider and vote upon the adjournment of the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes in favor of adoption of the merger agreement at the time of the special meeting.

Only record holders of Starent common stock at the close of business on November 6, 2009 are entitled to receive notice of, and will be entitled to vote at, the special meeting, including any adjournments or postponements of the special meeting.

Under Delaware law, if the merger is completed, holders of Starent common stock who do not vote in favor of adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery. In order to exercise your appraisal rights, you must submit a written demand for an appraisal prior to the stockholder vote on the merger agreement, not vote in favor of adoption of the merger agreement and comply with other Delaware law procedures explained in the accompanying proxy statement.

Your vote is important and we urge you to complete, sign, date and return your proxy card as promptly as possible by mail or by faxing the card to the attention of Jonathan M. Moulton at 978-863-3971, whether or not you expect to attend the special meeting. If you are unable to attend in person and you return your proxy card, your shares will be voted at the special meeting in accordance with your proxy. You may also submit a proxy by telephone by calling 1-800-652-8683 in the United States and 781-575-2300 from foreign countries or through the Internet at www.investorvote.com using the control number on your proxy card. If your shares are held in street name by your broker or other nominee, only that holder can vote your shares unless you obtain a valid legal proxy from such broker or nominee. You should follow the directions provided by your broker or nominee regarding how to instruct such broker or nominee to vote your shares.

The merger is described in the accompanying proxy statement, which we urge you to read carefully. A copy of the merger agreement is attached as Annex A to the proxy statement.

Tewksbury, Massachusetts

November 9, 2009

By Order of the Board of Directors,

Jonathan M. Moulton

Vice President, General Counsel and

Secretary

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YOUR VOTE IS IMPORTANT.

Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy card and return it promptly in the envelope provided or by faxing it to the attention of Jonathan M. Moulton at 978-863-3971 or submit a proxy by telephone by calling 1-800-652-8683 in the United States and 781-575-2300 from foreign countries or through the Internet at www.investorvote.com. Giving your proxy now will not affect your right to vote in person if you attend the meeting.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following Q&A is intended to address some commonly asked questions regarding the special meeting of stockholders and the merger. These questions and answers may not address all questions that may be important to you as a Starent stockholder. We urge you to read carefully the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents we refer to in this proxy statement.

Except as otherwise specifically noted in this proxy statement, we, our, us and similar words in this proxy statement refer to Starent Networks, Corp. In addition, we refer to Starent Networks, Corp. as Starent and to Cisco Systems, Inc. as Cisco.

The Special Meeting

Q: Why am I receiving this proxy statement?

A: Our board of directors is furnishing this proxy statement in connection with the solicitation of proxies to be voted at a special meeting of stockholders, or at any adjournments or postponements of the special meeting.

Q: Where and when is the special meeting of stockholders?

A: The special meeting of our stockholders will be held on Friday, December 11, 2009 at 10:00 a.m., local time, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109.

Q: What am I being asked to vote on?

A: You are being asked to vote to adopt a merger agreement that provides for the acquisition of Starent by Cisco. The proposed acquisition would be accomplished through a merger of Barcelona Acquisition Corp., a wholly-owned subsidiary of Cisco (which we refer to as merger sub), with and into Starent. As a result of the merger, we will become a wholly-owned subsidiary of Cisco, and our common stock will cease to be listed on The NASDAQ Global Select Market, will not be publicly traded and will be deregistered under the Securities Exchange Act of 1934, as amended.

In addition, you are being asked to grant our management discretionary authority to adjourn the special meeting. If we do not receive proxies from stockholders holding a sufficient number of shares to adopt the merger agreement, we could use the additional time to solicit additional proxies in favor of adoption of the merger agreement.

Q: How does Starent's board recommend that I vote?

A: At a meeting held on October 12, 2009, our board of directors unanimously approved the merger agreement and determined that the merger agreement and the terms and conditions of the merger and the merger agreement are fair to, advisable and in the best interests of Starent and its stockholders. **Our board of directors unanimously recommends that you vote FOR the adoption of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes in favor of adoption of the merger agreement at the time of the special meeting.**

The Proposed Merger

Q: What will I be entitled to receive pursuant to the merger?

A: As a result of the merger, our stockholders will be entitled to receive \$35.00 in cash, without interest and less any applicable withholding taxes, for each share of our common stock they own as of the date of the

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merger. For example, if you own 100 shares of our common stock, you will be entitled to receive \$3,500 in cash, less any applicable withholding taxes, in exchange for your 100 shares.

Q: What will the holders of Starent stock awards receive in the merger?

A: Upon the closing of the merger, outstanding Starent stock awards under Starent's 2000 Stock Incentive Plan will be assumed by Cisco with the same terms and conditions (including vesting), except that Cisco shares will be substituted for Starent shares and the applicable share numbers and option exercise prices will be appropriately adjusted. Stock awards under Starent's 2000 Stock Incentive Plan will be subject to up to 25% acceleration upon the closing of the merger, other than awards held by our executive officers who have executed benefit waivers. Stock awards under Starent's 2007 Stock Incentive Plan that are held by employees who will be continuing in employment after the merger is completed will be assumed in the same manner; however, no employee awards under that plan will be subject to acceleration. All vested stock awards under Starent's 2007 Stock Incentive Plan held by other persons will be cancelled in the merger, and such persons will be entitled to receive a cash payment from Cisco in an amount equal to the number of shares outstanding under the awards as of the closing date multiplied by an amount equal to \$35.00 less any applicable exercise price. All unvested stock awards under Starent's 2007 Stock Incentive Plan held by such other persons will be cancelled and terminated in the merger. See "The Merger Treatment of Options Outstanding Under Our Stock Plans" and "Treatment of Restricted Shares and Restricted Stock Units Outstanding Under Our Stock Plans" beginning on page 49.

Q: What regulatory approvals and filings are needed to complete the merger?

A: The merger is subject to compliance with the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act. See "The Merger Regulatory Matters" beginning on page 53.

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as possible and currently expect to consummate the merger in the first half of calendar year 2010. In addition to obtaining stockholder approval, we must satisfy all other closing conditions, including the receipt of regulatory approvals.

Q: What rights do I have if I oppose the merger?

A: Our stockholders are entitled to appraisal rights under Delaware law by following the requirements specified in Section 262 of the General Corporation Law of the State of Delaware. A copy of Section 262 is attached as Annex D to this proxy statement. See "The Merger Appraisal Rights" beginning on page 45.

Q: Do any of Starent's directors or officers have interests in the merger that may differ from those of Starent stockholders?

A: Cisco has entered into employment agreements with six of our executive officers, which, effective upon closing of the merger, will provide that each of these executive officers will be employed by Cisco for a period of at least one year in the case of three executive officers, and at least two years in the case of the other three executive officers, following closing of the merger. The employment agreements with Cisco provide for a grant to each executive officer of restricted stock units for shares of Cisco common stock and certain other payments and benefits. In addition, another of our executive officers currently has an executive retention agreement with us that provides him with equity compensation acceleration and severance benefits if his employment with us is terminated under certain conditions in connection with the merger or if his employment is terminated within one year of the closing of the merger under certain circumstances. All Starent stock

options, restricted stock units and shares of restricted stock held by non-employee members of

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our board of directors will accelerate in full in connection with the merger. See "The Merger" Interests of Starent's Executive Officers and Directors in the Merger beginning on page 37 for a description of these agreements as well as a description of other rights of our directors and executive officers that come into effect in connection with the merger.

Q: What factors did the Starent board of directors consider in making its recommendation?

A: In making its recommendation, our board of directors took into account, among other things, the \$35.00 per share cash consideration to be received by holders of our common stock pursuant to the merger not only in relation to the market price as of signing and historical market prices of our common stock, but also in relation to our board of directors' assessment of the business, competitive position and prospects of Starent, and the terms and conditions of the merger agreement, including our ability to furnish information to, and conduct negotiations with, a third party should we receive an alternative proposal, and terminate the merger agreement to accept a superior offer.

Q: Will the merger be taxable to me?

A: Yes. The receipt of cash pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes, and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. Generally, for U.S. federal income tax purposes, a U.S. stockholder will recognize gain or loss equal to the difference between the amount of cash received by the stockholder in the merger and the stockholder's adjusted tax basis in the shares of our common stock converted into cash in the merger. If you are a non-U.S. holder, the merger will generally not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States, but may be a taxable transaction to you under non-U.S. federal income tax laws, and you are encouraged to seek tax advice regarding such matters. Because individual circumstances may differ, we recommend that you consult your own tax advisor to determine the particular tax effects to you. See "The Merger" Material United States Federal Income Tax Consequences of the Merger beginning on page 51.

Voting and Proxy Procedures

Q: Who is entitled to vote at the special meeting?

A: Only stockholders of record as of the close of business on November 6, 2009 are entitled to receive notice of the special meeting and to vote the shares of our common stock that they held at that time at the special meeting, or at any adjournments or postponements of the special meeting.

Q: What vote is required to adopt the merger agreement?

A: Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting.

As of November 6, 2009, the record date for determining who is entitled to vote at the special meeting, there were 72,123,138 shares of our common stock issued and outstanding. Under voting agreements dated October 12, 2009, certain of our directors and certain funds and/or trusts affiliated with certain directors who are owners of approximately 18.9% of our outstanding shares of common stock have agreed to vote the shares of our common stock over which they exercise voting control for the adoption of the merger agreement.

Q: If my broker holds my shares in street name, will my broker vote my shares for me?

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- A:** Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares following the procedure provided by your broker. Without instructions, your shares will not be voted, which will have the same effect as if you voted **AGAINST** adoption of the merger agreement.

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Q: What do I need to do now?

A: We urge you to read this proxy statement carefully and consider how the merger affects you. Then mail your completed, dated and signed proxy card in the enclosed return envelope as soon as possible, or submit a proxy via the Internet or telephone, so that your shares can be voted at the special meeting of our stockholders. **Please do not send your stock certificates with your proxy card.**

Q: May I vote in person?

A: Yes. If your shares are registered in your name, you may attend the special meeting and vote your shares in person, rather than signing and returning your proxy card or submitting a proxy via the Internet or telephone. If your shares are held in street name, you must obtain a proxy from your broker or other nominee in order to attend the special meeting and vote in person. Even if you plan to attend the special meeting in person, we urge you to complete, sign, date and return the enclosed proxy or submit a proxy via the Internet or telephone to ensure that your shares will be represented at the special meeting.

Q: May I submit a proxy via the Internet or telephone?

A: If your shares are registered in your name, you may cause your shares to be voted by returning a signed proxy card or vote in person at the special meeting. Additionally, you may submit a proxy authorizing the voting of your shares via the Internet at www.investorvote.com or telephonically by calling 1-800-652-8683. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to submit a proxy via the Internet or telephone.

If your shares are held in street name through a broker or other nominee, you may provide voting instructions by completing and returning the voting form provided by your broker or nominee, or via the Internet or telephone through your broker or nominee if such a service is provided. To provide voting instructions via the Internet or telephone through your broker or nominee, you should follow the instructions on the voting form provided by your broker or nominee.

Q: What happens if I do not return my proxy card, submit a proxy via the Internet or telephone or attend the special meeting and vote in person?

A: The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting. Therefore, if you do not return your proxy card, submit a proxy via the Internet or telephone, or attend the special meeting and vote in person, it will have the same effect as if you voted AGAINST adoption of the merger agreement. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned to solicit additional proxies. If a quorum is present in person or represented by proxy at the special meeting, approval of the proposal to adjourn the special meeting, if necessary to solicit additional proxies, requires the affirmative vote of a majority of the votes cast on the matter by holders of our common stock present, in person or represented by proxy, at the special meeting and, therefore, if you do not vote in person or by proxy, it will have no effect on the outcome of such proposal to adjourn.

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. You may change your vote at any time before your proxy card is voted at the special meeting. *If you have sent a proxy directly to Starent*, you may revoke your proxy by:

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delivering a written revocation of the proxy or a later dated, signed proxy card, to our corporate secretary at our corporate offices at 30 International Place, Tewksbury, Massachusetts 01876, or by fax to the attention of Jonathan M. Moulton, Secretary, at 978-863-3971, on or before the business day prior to the special meeting;

delivering a new, later dated proxy by telephone or via the Internet until immediately prior to the special meeting;

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delivering a written revocation or a later dated, signed proxy card to us at the special meeting prior to the taking of the vote on the matters to be considered at the special meeting; or

attending the special meeting and voting in person.

If you have instructed a broker or other nominee to vote your shares, you may revoke your proxy only by following the directions received from your broker or nominee to change those instructions.

Revocation of the proxy will not affect any vote previously taken. Attendance at the special meeting will not in itself constitute the revocation of a proxy; you must vote in person at the special meeting to revoke a previously delivered proxy.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return (or submit via the Internet or telephone with respect to) each proxy card and voting instruction card that you receive.

Q: What happens if I sell my shares of Starent common stock before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting and the date the merger is expected to be completed. If you transfer your shares of our common stock after the record date but before the special meeting, you will retain your right to vote at the special meeting, but will transfer the right to receive the merger consideration.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, you will receive written instructions for exchanging your shares of our common stock for the merger consideration of \$35.00 in cash, without interest and less any applicable withholding taxes, for each share of our common stock you hold.

Q: Who can help answer my questions?

A: If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger, including the procedures for voting your shares, you should contact:
Starent Networks, Corp.

Attn: Investor Relations

30 International Place

Tewksbury, Massachusetts 01876

(978) 863-3743

or

Innisfree M&A Incorporated

Banks and Brokers Please Call Collect: (212) 750-5833

Stockholders Please Call: (888) 750-5834

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosures in this proxy statement. Any representation to the contrary is a criminal offense.

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FORWARD-LOOKING INFORMATION

This proxy statement contains forward-looking statements, as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on our current expectations, assumptions, beliefs, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as anticipate, believe, estimate, expect, intend, project, should and similar expressions. Factors that may affect those forward-looking statements include, among other things:

the risk that the merger may not be consummated in a timely manner, if at all,

the risk that the merger agreement may be terminated in circumstances that require us to pay Cisco a termination fee of \$63.5 million,

risks regarding a loss of or a substantial decrease in purchases by our major customers,

risks related to diverting management's attention from our ongoing business operations,

risks regarding employee retention, and

other risks detailed in our current filings with the Securities and Exchange Commission, or SEC, including our most recent filings on Form 10-K or Form 10-Q, which discuss these and other important risk factors concerning our operations.

We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

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SUMMARY

This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement, the annexes to this proxy statement and the documents we refer to in this proxy statement. See **Where You Can Find More Information** on page 74. The merger agreement is attached as Annex A to this proxy statement. We encourage you to read the merger agreement, which is the legal document governing the merger.

The Companies (page 16)

Starent Networks, Corp.

30 International Place

Tewksbury, Massachusetts 01876

Telephone: (978) 851-1100

Incorporated in August 2000, Starent Networks, Corp. is a leading provider of infrastructure solutions that enable mobile operators to deliver multimedia services to their subscribers. Starent has created solutions that provide mobile operators with the functions and services needed for access, mobility management and call control in their networks. Through integrated intelligence and high performance capabilities, Starent's solutions also enhance subscriber management, billing and session policy enforcement. Starent's products are capable of supporting a wide range of mobile wireless networks, such as CDMA2000, UMTS/HSPA, LTE, WiFi, and WiMAX. Starent's products have been deployed by over 100 mobile operators in 45 countries.

Cisco Systems, Inc.

170 West Tasman Drive

San Jose, California 95134

Telephone: (408) 526-4000

Incorporated in California in 1984, Cisco Systems, Inc. designs, manufactures, and sells Internet Protocol-based networking and other products related to the communications and information technology industry and provides services associated with these products and their use. Cisco's products are installed at enterprise businesses, public institutions, telecommunications companies, commercial businesses and personal residences. Cisco provides a broad line of products for transporting data, voice, and video within buildings, across campuses, and around the world.

Barcelona Acquisition Corp.

170 West Tasman Drive

San Jose, California 95134

Telephone: (408) 526-4000

Incorporated on October 6, 2009, Barcelona Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Cisco, was organized solely for the purpose of entering into the merger agreement with Starent and completing the merger. Barcelona Acquisition Corp. has not conducted any business operations.

Merger Consideration (page 49)

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If the merger is completed, you will be entitled to receive \$35.00 in cash, without interest and less any applicable withholding taxes, in exchange for each share of Starent common stock that you own as of the date of the merger and for which you have not properly exercised appraisal rights.

After the merger is completed, you will have the right to receive the merger consideration, but you will no longer have any rights as a Starent stockholder and will have no rights as a Cisco stockholder as a result of the

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merger. Starent stockholders will receive the merger consideration after surrendering their Starent shares in accordance with the instructions contained in the letter of transmittal to be sent to our stockholders shortly after closing of the merger.

Treatment of Stock Awards Outstanding Under Our Stock Plans (page 49)

At the effective time of the merger, shares of our outstanding common stock that are restricted, not fully vested or subject to repurchase rights will be converted into unvested cash merger consideration that remains subject to the same restrictions, vesting arrangements and repurchase rights following the effective time of the merger. This unvested cash merger consideration payable upon conversion of such restricted shares of common stock in the merger will be paid to the holder of such shares if and only to the extent the holder satisfies the vesting terms or other restrictions. The vesting of restricted shares granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number of shares subject to such awards upon the closing of the merger, other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers (whose awards will not automatically accelerate in connection with the merger). The specific amount of acceleration is set forth in the individual restricted stock agreements.

At the effective time of the merger, all of our outstanding stock options and restricted stock units, whether vested or unvested, held by our employees and our subsidiaries' employees who continue employment with Starent, Cisco, or their subsidiaries and all other outstanding options granted under our 2000 Stock Incentive Plan (collectively, "rollover awards") will be assumed by Cisco with the same terms and conditions (including vesting). With respect to rollover awards consisting of options ("rollover options"), Cisco shares will be substituted for Starent shares and the applicable share numbers and option exercise prices will be appropriately adjusted, and with respect to rollover awards consisting of restricted stock units ("rollover restricted stock units"), Cisco shares will be substituted for Starent shares underlying the restricted stock units and the applicable share numbers will be appropriately adjusted. In the case of three of our executive officers who have entered into employment agreements with Cisco, new vesting restrictions will be placed on a portion of their rollover awards immediately prior to the effective time of the merger.

The merger will not terminate any rollover awards. The vesting of rollover options granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number of shares subject to such awards upon the closing of the merger, other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers in connection with their employment agreements with Cisco. The specific amount of acceleration is set forth in individual stock option agreements.

At the effective time of the merger, all of our outstanding vested stock options granted under our 2007 Stock Incentive Plan held by any person other than our employees and our subsidiary's employees who continue employment with Starent, Cisco, or their subsidiaries will be cancelled in the merger and converted into the right to receive a cash payment from Cisco in an amount equal to the number of shares under such cancelled options multiplied by \$35.00 less the applicable exercise price. Any outstanding unvested stock options granted under our 2007 Stock Incentive Plan held by such other persons at the effective time of the merger will be cancelled and terminated. At the effective time of the merger, all outstanding restricted stock units under our 2007 Stock Incentive Plan that are held by persons who are not continuing employees and that have not yet been settled will be cancelled and terminated.

At the effective time of the merger, stock awards granted to non-employee members of our board of directors under either our 2000 or 2007 Stock Incentive Plan will accelerate in full in accordance with their terms.

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Market Prices and Dividend Data (page 12)

Our common stock is quoted on The NASDAQ Global Select Market under the symbol STAR. On October 12, 2009, the last full trading day before the public announcement of the merger, the closing price for our common stock was \$29.03 per share and on November 6, 2009, the latest practicable trading day before the printing of this proxy statement, the closing price for our common stock was \$33.85 per share.

Material United States Federal Income Tax Consequences of the Merger (page 51)

The conversion of shares of our common stock into the right to receive \$35.00 per share cash merger consideration will be a taxable transaction to our stockholders for U.S. federal income tax purposes. See The Merger Material United States Federal Income Tax Consequences of the Merger beginning on page 51.

Tax matters can be complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. We strongly recommend that you consult your own tax advisor to fully understand the tax consequences of the merger to you.

Reasons for the Merger and Recommendation of Starent's Board of Directors (page 23)

Our board of directors unanimously recommends that you vote FOR adoption of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies. At a meeting of our board of directors on October 12, 2009, after consultation with financial and legal advisors, our board of directors unanimously determined that the merger agreement and the merger are advisable and in the best interests of Starent and its stockholders and unanimously approved the merger agreement.

In the course of reaching its decision, our board of directors consulted with our senior management, financial advisor and legal counsel, reviewed a significant amount of information and considered a number of factors, including, among others, the consideration to be received in the merger, the prospects of Starent as an independent entity, the terms of the merger agreement and other agreements executed in connection with the merger, the risks of announcing and completing the merger and the interests that certain officers and directors may have with respect to the merger. Our board of directors did not quantify or otherwise attempt to assign relative weights to these various factors, but considered all such factors in the aggregate in reaching its determination and recommendation.

Opinion of Our Financial Advisor (page 26)

Goldman, Sachs & Co., or Goldman Sachs, delivered its opinion to our board of directors that, as of October 12, 2009 and based upon and subject to the factors and assumptions set forth therein, the \$35.00 per share in cash to be paid to the holders of shares (other than any shares the consideration for which will be or become subject to vesting or similar requirements) of our common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated October 12, 2009, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, is attached as Annex C. Goldman Sachs provided its opinion for the information and assistance of our board of directors in connection with its consideration of the transaction. Goldman Sachs's opinion is not a recommendation as to how any holder of our common stock should vote with respect to the transaction or any other matter. Pursuant to an engagement letter between Goldman Sachs and us, we agreed to pay Goldman Sachs a transaction fee of approximately \$20 million, a principal portion of which is payable upon consummation of the transaction.

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The Special Meeting of Starent's Stockholders (page 13)

Date, Time and Place. A special meeting of our stockholders will be held on Friday, December 11, 2009, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, at 10:00 a.m., local time, to consider and vote on:

adoption of the merger agreement, and

adjournment of the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes in favor of adoption of the merger agreement at the time of the special meeting.

Record Date and Voting Power. You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on November 6, 2009, the record date for the special meeting. You will have one vote at the special meeting for each share of our common stock you owned at the close of business on the record date. There are 72,123,138 shares of our common stock entitled to be voted at the special meeting.

Required Vote. The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the shares of our common stock outstanding at the close of business on the record date. Approval of any proposal to adjourn the special meeting, if necessary, to solicit additional proxies requires the affirmative vote of a majority of the votes cast on the matter by holders of our common stock present, in person or represented by proxy, at the special meeting, provided that a quorum is present, in person or represented by proxy, at the special meeting.

Interests of Starent's Executive Officers and Directors in the Merger (page 37)

When considering the recommendation of Starent's board of directors, you should be aware that the members of Starent's board of directors and Starent's executive officers have interests in the merger other than their interests as Starent stockholders generally, including those described below. These interests may be different from, or in conflict with, your interests as Starent stockholders. The members of our board of directors were aware of these additional interests, and considered them, when they approved the merger agreement.

Pursuant to employment agreements between Cisco and six of our executive officers (Messrs. Ashraf Dahod, Pierre Kahhale, Vijay Kathuria, Thierry Maupilé, Anthony Schoener and Gennady Sirota):

each of these executive officers will become an employee of Cisco or, if Cisco so determines, become or remain an employee of a subsidiary of Cisco, following the effective time of the merger and initially receive the following annual base salaries:

Mr. Dahod \$335,000; Mr. Kahhale \$265,000; Mr. Kathuria \$270,000; Mr. Maupilé \$240,000; Mr. Schoener \$270,000; and Mr. Sirota \$230,000;

each of these executive officers will be entitled to a lump sum cash payment equal to 12 months of his base salary and full acceleration of vesting for any rollover options, rollover restricted stock units or unvested cash merger consideration, if his employment is terminated by Cisco without cause, or by the executive officer with good reason, (as those terms are defined in the executive officer's employment agreement with Cisco) at any time prior to the second anniversary of the closing of the merger in the case of Messrs. Dahod, Kathuria or Schoener and at any time prior to the first anniversary of the closing of the merger in the case of Messrs. Kahhale, Maupilé or Sirota;

each of these executive officers executed a benefits waiver with us which becomes effective as of immediately prior to the effective time of the merger. Pursuant to these benefit waivers, each executive officer waived all rights to acceleration pursuant to his individual equity award agreement under our 2000 Stock Incentive Plan and his respective executive retention agreement with us. Each executive officer also waived his right to any severance payments he would have been entitled to upon his termination of employment in connection with the merger or following the merger under his executive

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retention agreement with us. In exchange for waiving these acceleration and severance benefits, these executive officers agreed to the employment and benefits arrangements described above and below;

Messrs. Dahod, Kathuria and Schoener have agreed to the imposition of new vesting restrictions on a portion of their Starent stock options. These unvested Starent options will be converted into unvested Cisco options and are referred to as the re-vesting Cisco stock options, and, for Mr. Dahod (if he elects to have fewer Starent stock options become subject to re-vesting), new vesting restrictions will be imposed on a portion of his shares of our common stock, so that the unvested common stock will be exchanged for unvested cash merger consideration and are referred to as the unvested merger consideration. These re-vesting Cisco stock options and unvested merger consideration will vest monthly over the two years following the closing of the merger. The re-vesting Cisco stock options held by each of Messrs. Dahod, Kathuria and Schoener, and any unvested merger consideration held for the account of Mr. Dahod, will vest in full, if the executive officer's employment is terminated by Cisco without cause or by the executive officer with good reason (as those terms are defined in the executive officer's employment agreement with Cisco) or due to the executive officer's death or permanent disability prior to the second anniversary of the closing of the merger. The compensation described in this and the preceding two bullets is in lieu of any severance benefits that otherwise would be provided to the executive officer under our existing executive retention agreements with that executive officer;

following closing of the merger, Cisco will grant these executive officers restricted stock units for shares of Cisco common stock. Mr. Dahod will receive a restricted stock unit for 20,000 shares; Messrs. Kathuria and Schoener will each receive a restricted stock unit for 10,000 shares; and Messrs. Kahhale, Maupilé and Sirota will each receive a restricted stock unit for a number of shares determined by dividing \$700,000, \$700,000 and \$600,000, respectively, by the closing sale price of Cisco common stock as quoted on The NASDAQ Global Select Market on the date of grant. Subject to the executive officer's continued employment, the restricted stock units will vest and become exercisable in four equal annual installments from the date of grant and be payable not later than 2 1/2 months following the end of the calendar year in which vesting occurs. The new restricted stock units will not accelerate in connection with any termination of the executive officer's employment with Cisco, except as provided under Cisco's Equity Vesting Acceleration Policy for Death and Terminal Illness as in effect on the date the merger closes, under which outstanding equity awards for shares of Cisco common stock would be accelerated, subject to certain conditions and limitations, upon the death or terminal illness of such executive officer; and

Messrs. Kathuria and Schoener will each be entitled to an \$800,000 cash retention bonus, and Messrs. Dahod, Kahhale, Maupilé and Sirota will be entitled to a one-time bridging allowance to help the executive officer adjust to the applicable Cisco incentive plan, in the amount of \$100,500, \$80,000, \$72,000, and \$69,000, respectively.

Under the terms of the merger agreement, all outstanding Starent stock options and restricted stock units granted under our 2007 Stock Incentive Plan held by our employees and our subsidiaries' employees who continue employment with Starent, Cisco, or their subsidiaries (including the executive officers discussed above) and any other stock options granted under our 2000 Stock Incentive Plan, including stock options granted to the members of our board of directors under such plan, will be assumed by Cisco and become stock options or restricted stock units, as the case may be, for Cisco common stock having equivalent economic value. In addition, all stock options, restricted stock, and restricted stock units held by the non-employee members of our board of directors will accelerate at the effective time of the merger in accordance with the existing terms of their option, restricted stock, and restricted stock unit agreements.

The executive retention agreement that we previously entered into with Mr. Paul Milbury, our Vice President of Operations and Chief Financial Officer, remains in effect. Pursuant to this agreement, if Cisco

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terminates his employment without cause or Mr. Milbury terminates his employment for good reason (as such terms are defined in the executive retention agreement), in connection with or within 12 months following the closing of the merger, he will be entitled to certain benefits, including a payment equal to the sum of his annual base salary and target bonus for the year during which the termination occurs, provided, however, that, if his termination occurs prior to the closing of the merger, he will be paid this amount over a twelve-month period following the date of termination rather than in a lump sum. Additionally, under Mr. Milbury's executive retention agreement, all outstanding stock options, restricted stock units and shares of restricted stock held by Mr. Milbury will become immediately vested and/or exercisable upon any such termination after the closing of the merger (or upon the closing of the merger if his stock options or other awards are not assumed or substituted in connection with the merger).

For six years after the effective time of the merger, Cisco will assume, and will cause the surviving corporation to fulfill and honor, all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the effective time of the merger existing in favor of our directors or officers as of immediately prior to the effective time, in each case subject to applicable legal requirements. In addition, for six years after the effective time, the surviving corporation will maintain, to the extent commercially available and subject to certain limitations, our directors' and officers' liability insurance in effect on the date of the merger agreement, for the benefit of those persons who were our directors and officers as of immediately prior to the effective time of the merger for their acts and omissions occurring prior to the effective time of the merger.

Voting Agreements (page 69)

Under voting agreements dated October 12, 2009, certain Starent directors and certain funds and/or trusts affiliated with certain Starent directors who are owners of approximately 18.9% of Starent's outstanding shares of common stock have agreed to vote their Starent shares in favor of adoption of the merger agreement and against any proposal made in opposition to or in competition with the merger. A copy of the form of voting agreement is attached as Annex B to this proxy statement.

Conditions to the Closing of the Merger (page 65)

Each party's obligation to effect the merger is subject to the satisfaction or waiver of various conditions, which include the following:

Cisco and we are obligated to effect the merger only if the following conditions have been satisfied or waived:

the merger agreement has been adopted by our stockholders at the special meeting;

no order or injunction issued by any court or other legal or regulatory restraint preventing the closing of the merger is in effect and no governmental action, law or order is in effect which prohibits the closing of the merger or makes the closing of the merger illegal; and

the waiting periods required under the HSR Act have expired or have been terminated.

Cisco will not be obligated to effect the merger unless the following conditions have been satisfied or waived by Cisco:

our representations and warranties in the merger agreement as to our corporate organization and the authorization, execution, delivery and enforceability of the merger agreement are true and correct as of signing and closing; as to our capitalization are true and correct as of signing and closing, except for deviations which may not exceed 1% of our fully diluted capitalization; and as to the other matters are true and correct as of signing and closing, except where the circumstances causing the failure of such

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representations and warranties to be true and correct have not had, and would not reasonably be expected to have, a material adverse effect on us;

we have performed in all material respects all obligations required to be performed by us under the merger agreement at or prior to the closing of the merger;

there is no pending claim, suit, action or proceeding brought by any governmental entity in which an unfavorable injunction, judgment, order, decree, ruling or charge would:

prevent, restrain, prohibit or make illegal the consummation of any of the transactions contemplated by the merger agreement;

cause any of the transactions contemplated by the merger agreement to be rescinded;

prohibit, limit or adversely affect in any material respect, or place any material conditions on, the ownership, control or operation by us or Cisco of our business or any material portion of our assets, or the business or any material portion of the assets of our subsidiaries or of Cisco or its subsidiaries, or require the disposition of any portion of our assets or assets of our subsidiaries or of Cisco and its subsidiaries; or

have a material adverse effect on us or Cisco;

and no such injunction, judgment, order, decree, ruling or charge may be in effect and no legal requirement may have been enacted having any such effect.

any governmental approval, waiver or consent necessary for the closing of the merger, including under applicable foreign antitrust laws, has been obtained or terminated or has expired in any jurisdiction where the failure to obtain such approval, waiver or consent would materially impair the business or operations of us, Cisco or our respective material subsidiaries or materially impact the relationship of us, Cisco or our respective material subsidiaries with a governmental entity in a manner that would reasonably be expected to materially impair its business or operations in such jurisdiction; and

we have not suffered a material adverse effect since the date of the merger agreement.

We will not be obligated to effect the merger unless the following conditions have been satisfied or waived:

Cisco's representations and warranties in the merger agreement as to its corporate organization and the authorization, execution, delivery and enforceability of the merger agreement are true and correct as of signing and closing; and as to the other matters are true and correct as of signing and closing, except where the circumstances causing the failure of such representations and warranties to be true and correct have not had, and would not reasonably be expected to have, a material adverse effect on Cisco; and

each of Cisco and merger sub has performed and complied in all material respects with all covenants, obligations and conditions required to be performed and complied with by Cisco and merger sub at or prior to the closing date of the merger.

Limitation on Considering Other Acquisition Proposals (page 62)

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We have agreed that we will not, and will not permit any of our subsidiaries to, nor will we authorize or permit any of our or our subsidiaries directors, officers or employees or any of our or their investment bankers, attorneys or other advisors or representatives to, directly or indirectly:

solicit, initiate, knowingly encourage, knowingly facilitate or knowingly induce any acquisition proposal or the making of any inquiry or proposal that would reasonably be expected to lead to an acquisition proposal;

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enter into, participate in, maintain or continue any communications or negotiations regarding, or furnish to any person any non-public information with respect to, or take any other action knowingly facilitating, any acquisition proposal;

agree to, accept, approve, endorse or recommend any acquisition proposal;

enter into any letter of intent or any other contract relating to any acquisition proposal;

submit any acquisition proposal to the vote of our stockholders; or

grant any waiver or release under any standstill or similar agreement with respect to us or our subsidiaries or any class of our equity securities.

At any time prior to obtaining stockholder approval, our board of directors may nevertheless in response to an unsolicited bona fide written acquisition proposal following the date of the merger agreement that is not otherwise obtained in violation of the restrictions set forth in the immediately preceding bullet points and that our board of directors determines in good faith is or would reasonably be expected to lead to a superior offer to the merger:

enter into discussions with the person making the acquisition proposal; and

furnish to the person making the acquisition proposal non-public information with respect to us and our subsidiaries pursuant to a confidentiality agreement.

Subject to the satisfaction of certain conditions, our board of directors may withdraw or modify its recommendation to our stockholders for adoption of the merger agreement. In the event that our board of directors withdraws or modifies its recommendation in a manner adverse to Cisco and the merger agreement is terminated, we may be required to pay a termination fee of \$63.5 million to Cisco.

Termination of the Merger Agreement (page 66)

Cisco and we can terminate the merger agreement under certain circumstances, including:

by mutual written consent;

by either Cisco or us, if the merger has not been completed by June 12, 2010, with such date to be extended to October 12, 2010 if certain required regulatory approvals are not received or certain other orders are in effect or certain governmental actions are pending, but all other conditions have been satisfied;

by either Cisco or us, if any governmental entity has issued an order, decree or ruling or taken any other action having the effect of permanently prohibiting the closing of the merger that is final and nonappealable;

by either Cisco or us, if our stockholders do not adopt the merger agreement at the special meeting and, in our case, the failure to obtain stockholder approval is not the result of a material breach of the merger agreement;

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by either Cisco or us, if the other party is in material breach of the merger agreement following notice and an opportunity to cure such breach, if curable;

by Cisco, prior to our stockholders' adoption of the merger agreement, upon the occurrence of any of the following, each a triggering event :

our board of directors withholds, withdraws, qualifies, amends or modifies its recommendation to our stockholders to vote in favor of adoption of the merger agreement;

we fail to include such recommendation in this proxy statement;

we fail to convene or hold the special meeting as required under the merger agreement;

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any of our directors or officers materially breaches the provisions of the merger agreement regarding our obligations for the special meeting, the recommendation of our board of directors, or non-solicitation of other acquisition proposals;

our board of directors approves or publicly recommends any other acquisition proposal;

we enter into any letter of intent or other agreement accepting any other acquisition proposal;

our board of directors fails to reaffirm its recommendation to our stockholders to vote in favor of adoption of the merger agreement within ten business days after Cisco's request in response to an acquisition proposal or material modification to an acquisition proposal; or

following the commencement of a tender or exchange offer by a party other than Cisco, our board of directors fails to recommend the rejection of such tender or exchange offer or fails to reaffirm its recommendation to our stockholders to vote in favor of adoption of the merger agreement or fails to recommend the rejection of such tender or exchange offer in any press release we publish or in any Schedule 14D-9 we file with the SEC, in each case relating to such tender offer or exchange offer; or

by us, prior to our stockholders' adoption of the merger agreement, upon a change of recommendation for a superior offer and following payment to Cisco of a termination fee of \$63.5 million.

Termination Fees and Expenses (page 67)

The merger agreement requires that we pay Cisco a termination fee of \$63.5 million if:

Cisco terminates the merger agreement following a triggering event prior to our stockholders' adoption of the merger agreement;

Following a triggering event, Cisco or we terminate the merger agreement if the merger has not been completed by June 12, 2010, or October 12, 2010 if such earlier date has been extended as described above;

Following a triggering event, Cisco or we terminate the merger agreement after our stockholders do not adopt the merger agreement at the special meeting and, in our case, the failure to obtain stockholder approval is not the result of a material breach of the merger agreement;

We terminate the merger agreement upon a change of recommendation for a superior offer; or

Cisco or we terminate the merger agreement due to our stockholders not adopting the merger agreement, if an alternative acquisition proposal was publicly disclosed prior to such termination and we consummate or enter into an agreement for an acquisition transaction within twelve months following the termination of the merger agreement, which acquisition subsequently is consummated.

If we pay Cisco the termination fee, it shall be the sole and exclusive remedy available to Cisco and merger sub in connection with the termination of the merger agreement.

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If Cisco or we terminate the merger agreement after our special meeting has been held and our stockholders have failed to adopt the merger agreement, and we are not then obligated to pay Cisco a termination fee, then we will reimburse Cisco for all of its fees and expenses not in excess of \$5 million. Any amount so paid will be credited against any subsequent termination fee paid by us to Cisco.

In all other cases, the merger agreement provides that, regardless of whether the merger is consummated, all fees and expenses incurred by the parties in connection with the merger will be borne by the party incurring such fees and expenses.

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Regulatory Matters (page 53)

The HSR Act prohibits us from completing the merger until we have furnished certain information and materials to the Antitrust Division of the Department of Justice and the Federal Trade Commission and the required waiting period has expired or been terminated. Both parties have made the necessary filings and the initial thirty-day waiting period will expire on November 23, 2009, unless the government extends that period by requesting additional information from the parties. The merger is also subject to review by the governmental authorities of various other jurisdictions under the antitrust or competition laws of those jurisdictions. We have filed or will file the appropriate notifications in each such jurisdiction and are pursuing the approval of the transaction.

Appraisal Rights (page 45)

Holders of our common stock who object to the merger may elect to pursue their appraisal rights to receive the judicially determined fair value of their shares, which could be more or less than, or the same as, the per share merger consideration for the common stock, but only if they comply with the procedures required under Delaware law. In order to qualify for these rights, you must (1) not vote in favor of adoption of the merger agreement, nor consent thereto in writing, (2) make a written demand for appraisal prior to the taking of the vote on the adoption of the merger agreement at the special meeting and (3) otherwise comply with the Delaware law procedures for exercising appraisal rights. For a summary of these Delaware law procedures, see The Merger Appraisal Rights. An executed proxy that is not marked AGAINST or ABSTAIN will be voted for adoption of the merger agreement and will disqualify the stockholder submitting that proxy from demanding appraisal rights.

A copy of Section 262 of the General Corporation Law of the State of Delaware, or DGCL, is also included as Annex D to this proxy statement. Failure to follow the procedures set forth in Section 262 of the DGCL will result in the loss of appraisal rights.

Legal Proceedings Regarding the Merger (page 45)

On October 14, 2009, we, our directors and Cisco were named as defendants in a putative class action complaint, captioned *Whitmeyer v. Starent Networks Corp., et al.*, C.A. No. 09-4378-BLS, filed in the Superior Court, Business Litigation Session, of Suffolk County of the Commonwealth of Massachusetts. That action, purportedly brought on behalf of a class of stockholders, alleges that our directors breached their fiduciary duties in connection with the proposed merger by, among other things, failing to maximize stockholder value, fully inform themselves of Starent's market value, obtain the best financial and other terms, and act in the best interests of public stockholders, and seeking to benefit themselves improperly. The suit further alleges that we and Cisco aided and abetted the directors' purported breaches. Plaintiff seeks declaratory, injunctive and other equitable relief, including to enjoin us and Cisco from consummating the merger, in addition to fees and costs. On October 28, 2009, the defendants filed an answer to the complaint.

On October 20, 2009, we, our directors and Cisco were named as defendants in a second putative class action complaint, captioned *Laborers Local 235 Benefit Funds v. Starent Networks Corp., et al.*, C.A. No. 5002, filed in the Court of Chancery of the State of Delaware. On November 3, 2009, the Plaintiff filed a Verified Amended Complaint. In the amended complaint, the Plaintiff purports to represent a class of stockholders and seeks equitable relief, including to enjoin us and Cisco from consummating the merger, in addition to fees and costs. Plaintiff alleges in the amended complaint that our directors breached their fiduciary duties by, among other things, agreeing to a proposed merger in which the consideration is unfair and inadequate, failing to take steps to maximize stockholder value, and putting their own interests above those of stockholders, and that the preliminary proxy statement we filed with the SEC on October 30, 2009 included materially misleading information concerning the merger. The amended complaint further alleges that Cisco aided and abetted the directors' purported breaches. Also on November 3, 2009, the Plaintiff filed a Motion for Preliminary Injunction seeking to enjoin the merger, and a Motion for Expedited Proceedings. The defendants have yet to file a response to these motions.

We believe that the claims asserted in both these suits are without merit.

Table of Contents**MARKET PRICES AND DIVIDEND DATA**

Our common stock is included on The NASDAQ Global Select Market under the symbol STAR. This table shows, for the periods indicated, the range of intraday high and low per share sales prices for our common stock as reported on The NASDAQ Global Select Market.

| | Fiscal Quarters | | | |
|--|-----------------|----------|----------|----------|
| | First | Second | Third | Fourth |
| Fiscal Year 2009 (Through November 6, 2009) | | | | |
| High | \$ 17.75 | \$ 25.63 | \$ 27.08 | \$ 34.75 |
| Low | \$ 10.39 | \$ 12.85 | \$ 19.48 | \$ 24.55 |
| Fiscal Year 2008 | | | | |
| High | \$ 18.44 | \$ 18.82 | \$ 14.18 | \$ 12.92 |
| Low | \$ 10.00 | \$ 10.39 | \$ 11.43 | \$ 7.30 |

The following table sets forth the closing price per share of our common stock, as reported on The NASDAQ Global Select Market on October 12, 2009, the last full trading day before the public announcement of the merger, and on November 6, 2009, the latest practicable trading day before the printing of this proxy statement:

| | Common Stock Closing Price |
|------------------|-------------------------------|
| October 12, 2009 | \$ 29.03 |
| November 6, 2009 | \$ 33.85 |

Following the merger there will be no further market for our common stock and our stock will be delisted from The NASDAQ Global Select Market and deregistered under the Securities Exchange Act of 1934, as amended, or the Securities Exchange Act.

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THE SPECIAL MEETING

The enclosed proxy is solicited on behalf of the board of directors of Starent for use at the special meeting of stockholders or at any adjournment or postponement thereof.

Date, Time and Place

We will hold the special meeting at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, at 10:00 a.m., local time, on Friday, December 11, 2009.

Purpose of the Special Meeting

At the special meeting, we will ask the holders of our common stock to adopt the merger agreement, and, if there are not sufficient votes in favor of adoption of the merger agreement, to adjourn the special meeting to a later date to solicit additional proxies.

Record Date; Shares Entitled to Vote; Quorum

Only holders of record of our common stock at the close of business on November 6, 2009, the record date, are entitled to notice of, and to vote at, the special meeting. On the record date, 72,123,138 shares of our common stock were issued and outstanding and held by approximately 150 holders of record. Holders of record of our common stock on the record date are entitled to one vote per share at the special meeting on the proposal to adopt the merger agreement and the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

A quorum of stockholders is necessary to hold a valid special meeting. Under our by-laws, a quorum is present at the special meeting if a majority of the shares of our common stock entitled to vote on the record date are present, in person or represented by proxy. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned to solicit additional proxies. For purposes of determining the presence of a quorum, abstentions will be counted as shares present, however, broker non-votes (where a broker or nominee does not exercise discretionary authority to vote on a matter), if any, will not be counted as shares present.

Vote Required

The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the shares of our common stock entitled to vote at the special meeting. Adoption of the merger agreement is a condition to the closing of the merger.

Approval of any proposal to adjourn the special meeting, if necessary, to solicit additional proxies requires the affirmative vote of a majority of the votes cast on the matter by holders of our common stock present, in person or represented by proxy, at the special meeting, provided that a quorum is present, in person or represented by proxy, at the special meeting.

Voting by Starent Directors

Under voting agreements dated October 12, 2009, certain Starent directors and certain funds and/or trusts affiliated with certain Starent directors who are owners of approximately 18.9% of Starent's outstanding shares of common stock have agreed to vote their Starent shares in favor of adoption of the merger agreement and against any proposal made in opposition to or in competition with the merger.

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Voting of Proxies

If your shares are registered in your name, you may cause your shares to be voted by returning a signed proxy card or voting in person at the meeting. Additionally, you may submit a proxy authorizing the voting of your shares via the Internet at www.investorvote.com or by telephone by calling 1-800-652-8683. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to submit a proxy via the Internet or telephone.

If your shares are registered in your name and you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the meeting. If your shares are registered in your name, you are encouraged to submit a proxy even if you plan to attend the special meeting in person.

Voting instructions are included on your proxy card. All shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in accordance with the instructions of the stockholder. Properly executed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

If your shares are held in street name through a broker or other nominee, you may provide voting instructions by completing and returning the voting form provided by your broker or nominee or via the Internet or by telephone through your broker or nominee if such a service is provided. To provide voting instructions via the Internet or telephone, you should follow the instructions on the voting form provided by your broker or nominee. If you plan to attend the special meeting, you will need a proxy from your broker or nominee in order to be given a ballot to vote the shares. If you do not return your broker's or nominee's voting form, provide voting instructions via the Internet or telephone through your broker or nominee, if possible, or attend the special meeting and vote in person with a proxy from your broker or nominee, it will have the same effect as if you voted AGAINST adoption of the merger agreement.

Revocability of Proxies

Any proxy you give pursuant to this solicitation may be revoked by you at any time before it is voted. Proxies may be revoked as follows:

If you have sent a proxy directly to Starent, you may revoke it by:

delivering to our corporate secretary at our corporate offices at 30 International Place, Tewksbury, Massachusetts 01876, or by fax to the attention of Jonathan M. Moulton, Secretary, at 978-863-3971, on or before the business day prior to the special meeting, a written revocation of the proxy or a later dated, signed proxy card;

delivering a new, later dated proxy by telephone or via the Internet until immediately prior to the special meeting;

delivering a written revocation or a later dated, signed proxy card to us at the special meeting prior to the taking of the vote on the matters to be considered at the special meeting; or

attending the special meeting and voting in person.

If you have instructed a broker or nominee to vote your shares, you may revoke your proxy only by following the directions received from your broker or nominee to change those instructions.

Revocation of the proxy will not affect any vote previously taken. Attendance at the special meeting will not in itself constitute the revocation of a proxy; you must vote in person at the special meeting to revoke a previously delivered proxy.

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Board of Directors Recommendations

Our board of directors has unanimously approved the merger agreement and determined that the merger agreement and the merger are in the best interests of Starent and its stockholders. **Our board of directors unanimously recommends that Starent stockholders vote FOR the proposal to adopt the merger agreement and also unanimously recommends that stockholders vote FOR the proposal to adjourn the special meeting, if necessary, to permit the solicitation of additional proxies.**

Abstentions and Broker Non-Votes

Stockholders that abstain from voting on a particular matter and shares held in street name by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares as to a particular matter will not be counted as votes in favor of such matter. For purposes of determining the presence of a quorum, abstentions will be counted as shares present, however, broker non-votes (where a broker or nominee does not exercise discretionary authority to vote on a matter), if any, will not be counted as shares present. Abstentions and broker non-votes will have the same effect as votes against adoption of the merger agreement and will have no effect on the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes in favor of adoption of the merger agreement at the time of the special meeting.

Solicitation of Proxies

The expense of soliciting proxies in the enclosed form will be borne by Starent. We have retained Innisfree M&A Incorporated, a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of approximately \$15,000 plus expenses. In addition, we may reimburse brokers, banks and other custodians, nominees and fiduciaries representing beneficial owners of shares for their expenses in forwarding soliciting materials to such beneficial owners. Proxies may also be solicited by certain of our directors, officers and employees, personally or by telephone, facsimile or other means of communication. No additional compensation will be paid for such services.

Stockholder List

A list of our stockholders entitled to vote at the special meeting will be available for examination by any Starent stockholder at the special meeting. For ten days prior to the special meeting, this stockholder list will be available for inspection by any stockholder for any purpose germane to the special meeting during ordinary business hours at our corporate offices located at 30 International Place, Tewksbury, Massachusetts 01876.

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THE COMPANIES

Starent Networks, Corp.

Starent Networks, Corp. is a leading provider of infrastructure solutions that enable mobile operators to deliver multimedia services to their subscribers. Starent has created solutions that provide mobile operators with the functions and services needed for access, mobility management and call control in their networks. Through integrated intelligence and high performance capabilities, Starent's solutions also enhance subscriber management, billing and session policy enforcement. Starent's products are capable of supporting a wide range of mobile wireless networks, such as CDMA2000, UMTS/HSPA, LTE, WiFi, and WiMAX. Starent's products have been deployed by over 100 mobile operators in 45 countries.

Starent was incorporated in August 2000 and its principal executive offices are located at 30 International Place, Tewksbury, Massachusetts 01876. Starent's website is located at <http://www.starentnetworks.com>. Additional information regarding Starent is contained in our filings with the SEC. See "Where You Can Find More Information" beginning on page 74.

Cisco Systems, Inc.

Cisco Systems, Inc. designs, manufactures, and sells Internet Protocol-based networking and other products related to the communications and information technology industry and provides services associated with these products and their use. Cisco provides a broad line of products for transporting data, voice, and video within buildings, across campuses, and around the world. Cisco's products are installed at enterprise businesses, public institutions, telecommunications companies, commercial businesses and personal residences. Cisco conducts its business globally and is managed geographically in five segments: United States and Canada, European Markets, Emerging Markets, Asia Pacific, and Japan. The Emerging Markets theater consists of Eastern Europe, Latin America, the Middle East and Africa, and Russia and the Commonwealth of Independent States.

Cisco was incorporated in California in December 1984, and the mailing address for its principal executive offices is 170 West Tasman Drive, San Jose, California 95134-1706. Its telephone number is (408) 526-4000. Cisco's website is located at <http://www.cisco.com>. Additional information regarding Cisco is contained in Cisco's filings with the SEC. See "Where You Can Find More Information" beginning on page 74.

Barcelona Acquisition Corp.

Barcelona Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Cisco, was organized solely for the purpose of entering into the merger agreement with Starent and completing the merger. Barcelona Acquisition Corp. was incorporated on October 6, 2009 and has not conducted any business operations. The mailing address for its principal executive offices is 170 West Tasman Drive, San Jose, California 95134-1706. Its telephone number is (408) 526-4000.

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THE MERGER

The following discussion summarizes the material terms of the merger. We urge you to read carefully the merger agreement, which is attached as Annex A to this proxy statement.

Background to the Merger

We have from time to time engaged in discussions with major network infrastructure providers with respect to strategic alliances and reseller arrangements in order to enhance our competitive position and pursue market opportunities.

In June 2009, Ashraf M. Dahod, our Chief Executive Officer, and Thierry Maupilé, our Vice President of Marketing and Business Development, met with representatives of Cisco, including Charles Carmel, Vice President, Corporate Development and Tony Bates, then Senior Vice President and General Manager of the Service Provider Group, to discuss a potential global reseller arrangement.

In June 2009, we also began to engage in discussions with another major network infrastructure provider, Company Y, concerning a possible strategic alliance with respect to the development and sale of certain products.

In July 2009, representatives of Starent and Cisco met on several occasions to continue to discuss potential market opportunities and a possible reseller arrangement to address those opportunities.

In late July 2009, a representative of Goldman Sachs, an underwriter of Starent's initial public offering in 2007 that had been engaged by Starent to act as its financial advisor, called a representative of Cisco and communicated that if Cisco were interested in pursuing a reseller or other strategic relationship with Starent, it would be important to move quickly in light of other strategic alternatives being considered by Starent. The engagement of Goldman Sachs was subsequently approved by the board of directors and confirmed in writing on September 23, 2009.

On August 6, 2009, Starent and Cisco signed a mutual confidentiality agreement.

On August 6 and 7, 2009, representatives of Starent, including Messrs. Dahod, Maupilé and Milbury met with representatives of Cisco, including Hilton Romanski, Vice President, Business Development and Kelly Ahuja, Senior Vice President, General Manager, Service Provider Core Routing Technology Group, at Starent's offices in Tewksbury, Massachusetts to review our products, technology and strategic plan and the opportunities that might be addressed by a reseller arrangement between the two companies.

On August 9 and 10, 2009, representatives of Starent, including Messrs. Dahod, Maupilé and Milbury, met with representatives of Cisco, including Messrs. Romanski and Ahuja and Pankaj Patel, Senior Vice President and General Manager of the Service Provider Group, at the offices of Cisco in California to continue discussions as to a possible collaboration. During these meetings, representatives of Cisco expressed interest in exploring a possible business combination with Starent.

On August 10, 2009, our board of directors held a meeting at which they discussed the possible reseller arrangement with Cisco, as well as the interest expressed by Cisco in considering a possible business combination with Starent. At this meeting, our board of directors determined that for the time being Starent should continue to pursue its business plan as an independent company. Our board of directors also authorized management to engage in exploratory discussions with Cisco in order to assess its level of interest in a business combination. Our board of directors also discussed the potential harm to our business that might result if current or potential customers or competitors were to become aware that we were considering a possible business combination, and our board of directors concluded that there was a need to maintain the confidentiality of any acquisition discussions in order to avoid the potential for such harm, particularly in view of the uncertainty that Starent and Cisco would ever reach an agreement with respect to a business combination.

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On August 12, 2009, our board of directors met and continued its discussions with respect to the reseller arrangement with Cisco, as well as the possibility of a business combination with Cisco. Our directors determined that we should continue to pursue our business plan as an independent company and also continue to assess the level of interest of Cisco in a business combination.

On August 17 and 19, 2009, representatives of Starent, including Messrs. Dahod, Maupilé and Milbury, met by video teleconference with representatives of Cisco, including Messrs. Ahuja and Carmel and Alex Yu, Head of Wireless Corporate Development, to continue to review Starent's business and prospects, as well as the opportunities that might be pursued through a collaboration or combination.

On August 19, 2009, our board of directors held a meeting and discussed the status of the discussions with Cisco and possible courses of action that might be pursued if Starent were to receive an acquisition proposal at a value that the directors considered sufficient for further exploration. The directors considered the possibility of engaging in discussions with other potentially interested parties in the event of Starent's receipt of an acquisition proposal at a value that our board of directors considered sufficient to warrant further exploration. Our directors discussed the likely interest of other potentially interested parties in a business combination, as well as the possible ramifications to Starent if competitors or customers were to become aware of any such discussions. Our directors determined that given the preliminary nature of the discussions with Cisco and the potential competitive harms and risk to the alternative strategic alliance under discussion with Company Y, it was not in the best interests of Starent and its stockholders to initiate such discussions at that time, but that the directors would continue to evaluate the advisability of such actions as the discussions with Cisco evolved.

Following August 19, 2009, there were continued telephone discussions between representatives of Starent and Cisco as to Starent's business and prospects and the potential synergies between the two companies.

On August 25, 2009, at a meeting of our board of directors, Mr. Dahod reported that Cisco had continued to express interest in a possible business combination and that a meeting had been planned between members of Starent's management and additional senior executives of Cisco to discuss our business plan and potential opportunities for a combined company. There was also discussion at this meeting as to specific other parties that might be interested in a business combination or strategic transaction with Starent and the business issues that would arise if we were to approach other possibly interested parties as to a business combination or other strategic transaction, including specifically the significant potential business risks to Starent that might arise if competitors or customers were to learn that Starent was exploring a sale of its business. The directors concluded that, given the potential for harm to Starent's business and the jeopardy to its strategic alliance discussions, other potentially interested parties should not be approached at that time and that the issue would be reconsidered if and when Starent were to receive a business combination proposal from Cisco at a value that our board of directors viewed as sufficient to warrant further exploration.

On August 27, 2009, Mr. Dahod met with representatives of Cisco, including John Chambers, Chairman of the Board and Chief Executive Officer, Ned Hooper, Senior Vice President, Corporate Business Development, and Mr. Ahuja at the offices of Cisco in California to discuss potential opportunities that might be pursued through a collaboration or combination.

On August 29, 2009, at a meeting of our board of directors, Mr. Dahod provided the directors with an update with respect to discussions with Cisco. Mr. Milbury also described his discussions with representatives of Goldman Sachs as to the terms of the engagement of Goldman Sachs in its assistance to our board of directors in connection with a proposed business combination.

On September 4, 2009, Mr. Romanski indicated to Mr. Dahod in a telephone conversation that Cisco would be interested in acquiring Starent at price of \$27 per share, subject to Cisco being satisfied with the results of its further due diligence.

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From September 4 to September 8, 2009, Mr. Dahod and Mr. Romanski had additional telephone discussions concerning the acquisition price proposed by Cisco.

On September 8, 2009, Starent entered into an indemnification letter with Goldman Sachs.

On September 8, 2009, our board of directors met and considered the acquisition proposal from Cisco. At the meeting, Mr. Dahod updated our board of directors with respect to the proposal from Cisco, as well as the preliminary diligence review being undertaken by Cisco with respect to our business. After consultations with management and representatives of Goldman Sachs, it was the consensus of the directors that the offer price did not adequately reflect the value of Starent. It was the consensus of the directors that, given the inadequacy of the proposal by Cisco and the significant uncertainty that an agreement would be reached with Cisco as to a business combination, Starent should continue to pursue its business plan as an independent company.

On September 8, 2009, Mr. Dahod called Mr. Romanski and informed him that the price proposed by Cisco was not acceptable to our board of directors.

On September 9, 2009, Mr. Romanski contacted Mr. Dahod and expressed interest in continuing to pursue a business combination.

During subsequent telephone conversations on September 10 and September 11, 2009 between Mr. Dahod and Mr. Romanski, as well as between a representative of Goldman Sachs and Mr. Hooper of Cisco, Starent communicated to Cisco that the acquisition price would need to be increased in order for our board of directors to authorize Cisco to commence detailed business, financial, legal and technology due diligence. Following these calls, Cisco invited Starent's management team to meet with representatives of Cisco in California to explain why Starent's business and prospects merited a higher price.

On September 15, 2009, Messrs. Milbury and Maupilé, together with a representative of Goldman Sachs, met in California with representatives of Cisco, including Messrs. Romanski, Ahuja and Carmel to discuss the business and prospects of Starent, as well as the potential strategic benefits of a business combination.

From September 17 to September 21, 2009, there were several telephone conversations between Mr. Dahod and a representative of Goldman Sachs, on behalf of Starent, and Messrs. Romanski and Hooper of Cisco. During these conversations, Mr. Romanski indicated that Cisco would be willing to increase its offer price to \$33 per share, subject to satisfactory completion of its due diligence.

On September 21, 2009, our board of directors met twice and considered Cisco's increased acquisition proposal. After discussion, our board of directors asked representatives of Goldman Sachs to communicate to Cisco that its latest offer was insufficient. The directors also discussed other parties that might be potentially interested in a business combination. Our board of directors requested that management and Goldman Sachs prepare an assessment of other potentially interested parties. The directors also discussed possible different sales processes that might be pursued if our board of directors were ultimately to determine to pursue a sale of Starent. Our board of directors also discussed the possibility of contacting Company Y with respect to its interest in a possible business combination transaction. Our board of directors concluded that, at that time, such a contact could reasonably result in termination of discussions with Company Y as to a potential strategic alliance and, given that the potential alliance with Company Y represented a potentially significant business opportunity and continued to be a reasonably likely outcome, such outcome should not be jeopardized, particularly since it was uncertain whether Starent and Cisco would ever reach agreement upon terms for a business combination. Our board of directors also resolved to engage Goldman Sachs to act as Starent's financial advisor and approved the terms of such engagement.

On September 21, 2009, a representative of Goldman Sachs had a telephone discussion with Mr. Romanski of Cisco and communicated that our board of directors considered the latest acquisition proposal to be insufficient.

On September 23, 2009, Starent entered into an engagement letter with Goldman Sachs.

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On September 24, 2009, Mr. Dahod and Mr. Hooper discussed further the proposed acquisition price. Mr. Hooper informed Mr. Dahod that he was not then in a position to offer an increased acquisition price.

On September 24, 2009, our board of directors met and discussed the status of discussions with Cisco. The directors discussed different sales processes that might be undertaken if Cisco were to make a proposal that the directors considered to be sufficient for further exploration. There was also discussion as to the types of deal protection provisions likely to be requested by Cisco in any definitive merger agreement, such as restrictions on solicitations of alternative acquisition proposals and a termination fee. Management and representatives of Goldman Sachs then reviewed parties that might be potentially interested in a business combination with Starent. Together with management, our board of directors and its advisors reviewed potentially interested parties, the potential strategic fit, the financial capability of the interested party to consummate a business combination with Starent and other relevant business considerations. Our board of directors also reviewed the possibility that a financial buyer might be interested in a potential acquisition of Starent and determined that such interest would be unlikely at a price equal to or greater than the price under discussion with Cisco. The directors reviewed again the potential harm that could be inflicted on Starent if the possibility of a business combination were made public or otherwise become known to customers or competitors. After this review, the directors and management concluded that, in light of the potential competitive and business risks to Starent from approaching any other potentially interested party, and the relatively low likelihood that other parties would be interested or able to pursue a business combination with Starent at a value exceeding that offered by Cisco, it was not in the best interests of Starent or its stockholders to contact other potentially interested parties about a possible business combination. Our board of directors also concluded that the terms of any merger agreement, including particularly the terms relating to the ability of our board of directors to have discussions with other bidders and the termination fee, would need to be structured so as not to unreasonably restrict Starent from considering an alternative proposal following execution of the merger agreement with Cisco. At the meeting, representatives of WilmerHale also discussed the antitrust review implications of a business combination between Starent and Cisco.

On September 24 and 25, 2009, there were further discussions between Mr. Dahod and a representative of Goldman Sachs, on behalf of Starent, and Messrs. Romanski and Hooper of Cisco as to the acquisition price.

On September 25, 2009, Mr. Hooper called Mr. Dahod and offered to increase the acquisition price to \$35 per share, subject to the satisfactory completion of due diligence.

On September 29, 2009, Mr. Dahod had a telephone conversation with Mr. Chambers and continued discussions as to the proposed acquisition price. Mr. Chambers stated to Mr. Dahod that Cisco would not increase its price above \$35. Following this conversation, Messrs. Hooper and Romanski called Mr. Dahod indicating that Cisco would like to commence detailed due diligence.

On September 29, 2009, our board of directors met to discuss the \$35 offer price from Cisco. At the meeting, management, together with representatives of Goldman Sachs, reported on the discussions that had taken place with representatives of Cisco since the last meeting of our board of directors. After discussion of the increased offer price, it was the consensus of the directors that Cisco was unlikely to increase its price above \$35. There was then discussion among the directors as to the benefits and risks of approaching Company Y as to a possible business combination. The continued view of the directors was that an alliance with Company Y remained reasonably possible in view of the significant amount of diligence to be conducted by Cisco and the uncertainty that Starent and Cisco would be able to reach agreement as to mutually acceptable terms of a definitive merger agreement, and that therefore Starent should not jeopardize that alliance opportunity by soliciting possible interest in a business combination. There was also discussion about the types of provisions that Starent should seek to include in a definitive merger agreement in order to assure that any interested third party would not be precluded or substantially impeded from making an alternative acquisition proposal.

On September 29, 2009, Mr. Milbury spoke with Mr. Romanski of Cisco and communicated that Starent would be willing to allow Cisco to commence more detailed due diligence. Mr. Milbury also communicated to

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Mr. Romanski that any definitive merger agreement would need to contain terms which would not unreasonably restrict another party from making or Starent from considering an alternative proposal post-signing.

On September 30, 2009, representatives of Cisco and Fenwick & West, legal counsel to Cisco, sent to Starent detailed due diligence questionnaires and information requests, and representatives of Starent began the process of responding to them.

On September 30, 2009, Fenwick & West also sent to WilmerHale an initial draft of a definitive merger agreement and voting agreements.

On October 1, 2009, Starent and Cisco signed an amended confidentiality agreement which, among other things, included a provision that restricted each party from soliciting certain employees of the other party for employment for a period of 12 months.

On October 1, 2009, our board of directors met. At the meeting, Mr. Milbury reviewed for the directors Starent's stand-alone financial forecast through fiscal 2014, as summarized below under Financial Forecasts. A representative of WilmerHale reviewed the status of discussions with Fenwick & West as to the terms of a definitive merger agreement. Representatives of WilmerHale also discussed the possible antitrust review implications of the proposed combination with Cisco and potential provisions for the allocation of any antitrust risk. There was also discussion of the request by Cisco that Starent sign an exclusivity letter which would prohibit Starent from engaging in business combination discussions with any other party for a period of time, excluding discussions relating to certain types of strategic alliances.

On October 2, 2009, our board of directors met and continued their discussion of Cisco's request for an exclusivity agreement. Our board of directors discussed the value to Starent's business of a commercial original equipment manufacturer, or OEM, reseller agreement with Cisco, which would provide Starent with an expanded distribution channel for its LTE and UMTS products to customers that Starent might not otherwise be able to reach directly. Our board of directors also discussed the potential harm to Starent's business that would result if Starent were for any reason to sign a definitive agreement with Cisco but not be able to close the planned combination, in which event the opportunity for the strategic alliance with Company Y would have been lost. The directors concluded that the risk of potential competitive harm to Starent's business in that circumstance would be mitigated if Starent were able to enter into a commercial OEM reseller agreement with Cisco providing for the sale of its UMTS and LTE products regardless of whether the merger with Cisco were to close. Accordingly, our board of directors authorized management to execute an exclusivity agreement with Cisco, but only after communicating to Cisco our board of directors' requirement that a commercial OEM reseller agreement be signed concurrently with the signing of the merger agreement.

On October 2, 2009, Starent and Cisco signed an exclusivity letter expiring on October 13, 2009.

From October 2 to October 8, 2009, representatives of Cisco continued their due diligence review of Starent, and representatives of WilmerHale and Fenwick & West continued their negotiation of the terms of a definitive merger agreement and voting agreements.

On October 8, 2009, our board of directors held a meeting and further discussed the potential business combination with Cisco. At the meeting, management reviewed the principal diligence issues being addressed by Cisco. A representative of WilmerHale reviewed the principal business and legal issues that required further negotiation in the definitive merger agreement, including the provisions relating to the ability of our board of directors to respond to alternative acquisition proposals, the negative covenants that would apply to us between signing and closing, the closing conditions, the regulatory approval process and the 3.9% termination fee proposed by Cisco. A representative of WilmerHale also presented an antitrust assessment of the business combination. Our board of directors discussed the value to Starent's business of a commercial OEM reseller

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agreement with Cisco, which would provide Starent with an expanded distribution channel for its LTE and UMTS products to customers that Starent might not otherwise be able to reach directly. The directors discussed the risk to our business if the merger agreement with Cisco was signed but the transaction was for any reason not to close. The directors reconfirmed their view that a commercial OEM reseller agreement with Cisco for UMTS and LTE products would significantly mitigate that risk by enabling Starent to replace sales that might otherwise be lost. The directors also reviewed with Goldman Sachs its financial analysis concerning the transaction. Management reviewed with the directors the principal terms to be included in the employment agreements with approximately eight key employees designated by Cisco, including in particular provisions relating to the vesting of a portion of the equity held by certain of those employees, including Mr. Dahod, which had been negotiated after September 29, 2009.

On October 10, 2009, at a meeting among Messrs. Dahod, Milbury, Moulton and Maupilé of Starent, Messrs. Romanski, Patel and Yu of Cisco, and representatives of WilmerHale and Fenwick & West, the parties continued their negotiation of the terms of the definitive merger agreement. At this meeting, Cisco indicated that it would be willing to enter into a definitive commercial OEM reseller agreement with respect to our UMTS and LTE products concurrently with the execution of the merger agreement and to reduce the termination fee that would be payable by us if we were to terminate the merger agreement in order to accept an alternative acquisition proposal to 2.25% of the equity value of the transaction.

On October 11, 2009, our board of directors met and discussed the status of the negotiations. A representative of WilmerHale reviewed the terms of the proposed merger agreement and related voting agreements, including in particular the outcome of the negotiations relating to the ability of our board of directors to respond to, and ultimately accept, an alternative acquisition proposal; the termination fee payable by us if we were to terminate the merger agreement in order to accept a superior offer; the closing conditions; the negative covenants that would apply between signing and closing; the provisions relating to antitrust clearance; and the stockholders expected to sign voting agreements. The directors also reviewed the principal terms of the proposed commercial OEM reseller agreement with Cisco, including the provision entitling us to terminate the agreement in the event of a change of control of Starent, subject to Cisco's right to purchase products for one year after termination. The directors also reviewed the terms of the proposed employment agreements with eight key employees. The directors revisited whether to approach Company Y regarding a potential business combination after expiration of the exclusivity letter, and our board of directors concluded that the risk of Cisco terminating its discussions with Starent outweighed the likely benefits, particularly in light of the specific terms of the merger agreement that would allow our board of directors to receive and respond to an alternative proposal and ultimately accept a superior offer.

On October 12, 2009, our board of directors met to consider and vote upon the proposed merger agreement with Cisco. At the meeting, representatives of WilmerHale reviewed in detail with our board of directors the outcome of further negotiations and the terms of the final merger agreement and definitive commercial OEM agreement. Representatives of Goldman Sachs presented to our board of directors its financial analysis of the proposed transaction. Goldman Sachs then rendered to our board of directors its oral opinion, subsequently confirmed in writing, that, as of October 12, 2009, and subject to the factors and assumptions set forth in the opinion, the \$35.00 in cash per share to be paid to holders of shares (other than any shares the consideration for which will be or become subject to vesting or similar requirements) of Starent common stock pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of the opinion of Goldman Sachs, dated October 12, 2009, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations of the review undertaken by Goldman Sachs in connection with such opinion, is attached hereto as Annex C. Following such presentations, and after further review and discussion, our board of directors unanimously voted to approve the merger agreement and related matters and resolved to recommend that our stockholders adopt the merger agreement, which is attached hereto as Annex A.

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Following the adjournment of the meeting of our board of directors on October 12, 2009, the parties signed the merger agreement. The signing of the merger agreement was publicly announced on October 13, 2009, prior to the opening of trading of our common stock on The NASDAQ Global Select Market.

Reasons for the Merger and Recommendation of Starent's Board of Directors

At a special meeting of our board of directors on October 12, 2009, our board of directors unanimously determined that the merger agreement and the merger are advisable and in the best interests of Starent and its stockholders. Our board of directors unanimously approved the merger agreement. **Our board of directors unanimously recommends that you vote FOR the adoption of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.**

In the course of reaching its decision to approve the merger agreement and to recommend that Starent's stockholders vote to adopt the merger agreement, our board of directors consulted with our senior management and financial advisor. Our board of directors also consulted with outside legal counsel regarding its fiduciary duties and the terms of the merger agreement and related agreements. The following discussion includes the material reasons and factors considered by our board of directors in making its recommendation, but is not, and is not intended to be, exhaustive:

Merger Consideration. Our board of directors considered the following with respect to the merger consideration to be received by the Starent stockholders:

that stockholders will be entitled to receive merger consideration of \$35.00 per share in cash upon the closing of the merger, providing liquidity and certainty of value as compared to the uncertain future long-term value to stockholders that might be realized if we remained independent;

the fact that the \$35.00 per share value of the cash merger consideration exceeded the highest historical trading price of \$31.67 per share and represents a 45% and 36% premium, respectively, over the average closing price of our common stock on The NASDAQ Global Select Market over the 90 and 60 trading day periods ending on October 9, 2009 (the last trading day prior to our board of directors' approval of the merger agreement) and a 20% premium over the closing price of our common stock on The NASDAQ Global Select Market on October 9, 2009 (the last trading day prior to our board of directors' approval of the merger agreement), which was also a 52-week high for our common stock, and the levels of those premiums as compared to the premiums in other comparable merger transactions; and

the then current financial market conditions and the recent and historical market prices of Starent common stock, including the market price performance of Starent common stock relative to those of other industry participants since our initial public offering in June 2007 and over the last 12 months. See *Market Prices and Dividend Data* for information about our common stock prices since January 1, 2008.

Prospects in Remaining Independent. Our board of directors considered the possibility of continuing to operate Starent as an independent public company, including the perceived risks and uncertainties of remaining an independent public company. In considering the alternative of pursuing growth as an independent company, our board of directors considered the following factors:

increased competition, especially from competitors with greater name recognition, more resources, financial and otherwise, and broader product offerings than Starent;

the increasing preference of customers to consolidate vendors and use one or a small number of vendors for all of their network infrastructure needs, instead of using multiple vendors that offer best-of-breed products independently;

the difficulty for Starent, as an independent company, to expand its global reach into new regions and markets where it does not have a presence;

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the ability of Starent to move beyond customers utilizing third generation, or 3G, CDMA technologies, which thus far had accounted for the vast majority of our revenues, to penetrate customers in the much larger 3G UMTS market and mobile operators that have begun to move to more advanced fourth generation, or 4G, networks such as LTE and WiMAX;

the immediate need to expand its 3G mobile operator customer base before these customers began transitioning to advanced 4G networks; and

potential customer concerns as to Starent's relatively small size compared to its competitors due to the critical nature of its network infrastructure products, especially in 4G LTE networks.

Opinion of Goldman, Sachs & Co. Our board of directors considered the financial analysis presented by representatives of Goldman Sachs, as well as the opinion of Goldman Sachs to our board of directors that, as of October 12, 2009 and based upon and subject to the factors and assumptions set forth in such opinion, the \$35.00 per share in cash to be paid to the holders of shares (other than any shares the consideration for which will be or become subject to vesting or similar requirements) of Starent common stock pursuant to the merger agreement was fair from a financial point of view to such holders, as more fully described in the section entitled "The Merger" Opinion of our Financial Advisor on page 26.

Financial Forecasts. Our board of directors considered the financial forecasts prepared by Starent management and summarized below under "The Merger" Financial Forecasts. Certain of the financial forecasts were also provided to Goldman Sachs for purposes of the opinion described in the preceding paragraph.

Terms of the Merger Agreement. Our board of directors considered the terms and conditions of the merger agreement and the course of negotiations thereof, including:

the conditions to Cisco's obligation to complete the merger, including the absence of a financing condition or vote of Cisco's stockholders, and the ability of Cisco to terminate the merger agreement under specified circumstances;

the structure of the transaction as a merger, requiring approval by our stockholders, which would result in detailed public disclosure and a period of time prior to closing of the merger during which an unsolicited superior offer, if any, could be made;

the ability of our board of directors, under certain circumstances, to furnish information to and conduct negotiations with a third party, if our board of directors determines in good faith (after consultation with its financial advisor and its outside legal counsel) that the third party has made an acquisition proposal that either constitutes or would reasonably be expected to lead to a superior offer;

the ability of our board of directors, under certain circumstances, to change its recommendation that our stockholders adopt the merger agreement if our board of directors determines in good faith (after consultation with its outside counsel) that due to an unforeseen intervening event, the failure to change its recommendation is reasonably likely to result in a breach of its fiduciary obligations to our stockholders;

our ability to terminate the merger agreement in order to accept a superior offer, subject to certain conditions and payment to Cisco of a termination fee of \$63.5 million, representing approximately 2.25% of the total equity value of the proposed transaction at the time of the execution of the merger agreement;

the belief of our board of directors that, based upon information provided by its counsel and financial advisor, the termination fee is at the lower end of the range of termination fees provided for in comparable transactions and would not preclude or substantially impede a possible superior offer;

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the fact that, upon termination of the merger agreement, the voting agreements would terminate and therefore not impede the ability of Starent's stockholders to vote in favor of a superior offer; and

that Starent's stockholders will be entitled to appraisal rights under Delaware law.

Reseller Agreement. Our board of directors considered the terms of the commercial OEM reseller agreement with Cisco providing for the resale by Cisco of Starent UMTS and LTE products. Our board of directors viewed the existence of such agreement as enhancing Starent's ability to compete in the marketplace, and in the event the merger were for any reason not consummated, reducing the risk of harm to Starent's business, because such agreement would provide to Starent an expanded distribution channel for its UMTS and LTE products to customers that Starent might not otherwise be able to reach directly. Our board of directors also considered that, subject to the terms of the commercial OEM reseller agreement, such agreement could be terminated by Starent upon a change in control acquisition of Starent (subject to Cisco's right to continue reselling products for a period of one year).

In the course of its deliberations, our board of directors also considered a variety of risks and factors weighing against the merger, including:

Risks of Announcement and Closing. Our board of directors considered:

the risks and contingencies related to the announcement and pendency of the merger, including the impact on our employees and our relationships with existing and prospective customers, suppliers and business partners, as well as other third parties;

the conditions to Cisco's obligation to complete the merger and the right of Cisco to terminate the merger agreement under specified circumstances;

the risks of a delay in receiving, or a failure to receive, the necessary antitrust approvals and clearances to complete the merger; and

the risks and costs to Starent if the merger is not completed, including the diversion of management and employee attention, potential employee attrition, the potential impact on our stock price and the effect on our business relationships.

Limitations on Starent's Business. Our board of directors considered the potential limitations on Starent's pursuit of business opportunities due to pre-closing covenants in the merger agreement whereby Starent agreed that it will carry on its business in the ordinary course of business consistent with past practice, and subject to specified exceptions, will not take certain actions related to the conduct of its business without the prior written consent of Cisco.

Absence of Pre-Signing Solicitation. Our board of directors considered that it had not solicited interest in a business combination from other parties that might be potentially interested in a business combination with Starent prior to the execution and delivery of the merger agreement.

Other Strategic Alliances. Our board of directors considered that by entering into the merger agreement with Cisco it would be foregoing the opportunity to pursue a potential strategic alliance with another major network infrastructure provider for the development and sale of certain existing and future Starent products.

Cash Transaction. Our board of directors considered that the merger consideration is cash and as a result our stockholders will forego any potential future increase in our value that might result from our possible growth, and that income realized as a result of the merger generally will be taxable to our stockholders.

Stockholder Vote. Our board of directors considered the requirement that, unless the merger agreement is earlier terminated by Starent as a result of a receipt of a superior offer, the merger agreement obligates Starent to submit the merger agreement for adoption by Starent's stockholders even if our board of directors withdraws its recommendation to adopt the merger agreement.

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Voting Agreements. Our board of directors considered that the directors and affiliated entities owning shares that represent approximately 18.9% of Starent outstanding common stock as of October 9, 2009 would be entering into voting agreements to vote in favor of adoption of the merger agreement and that even if our board of directors withdraws its recommendation to adopt the merger agreement under circumstances in which Starent is not entitled to terminate the merger agreement, those directors, executive officers and affiliated entities would still be required to vote in favor of adoption of the merger agreement.

Termination Fee and Other Alternative Acquirers. Our board of directors considered the possibility that the \$63.5 million termination fee payable to Cisco under the circumstances set forth in the merger agreement might discourage a competing proposal to acquire Starent or reduce the price of any such proposal.

Interests of Directors and Officers. Our board of directors considered the interests that certain of our directors and executive officers may have with respect to the merger in addition to their interests as Starent stockholders generally, as described in *The Merger Interests of Starent's Executive Officers and Directors in the Merger* on page 37.

In light of the variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, our board of directors did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weights to the various factors considered in reaching its determination, and individual directors may have given different weight to different factors. In addition, our board of directors did not reach any specific conclusion with respect to any of the factors or reasons considered. Instead, our board of directors conducted an overall analysis of the factors and reasons described above and determined that, in the aggregate, the potential benefits considered outweighed the potential risks or possible negative consequences of approving the merger agreement and accordingly recommends that Starent stockholders vote **FOR** the adoption of the merger agreement.

Opinion of Our Financial Advisor

Goldman Sachs rendered its opinion to our board of directors that, as of October 12, 2009 and based upon and subject to the factors and assumptions set forth therein, the \$35.00 per share in cash to be paid to the holders of shares (other than any shares the consideration for which will be or become subject to vesting or similar requirements (the Excluded Shares)) of Starent common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated October 12, 2009, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex C. Goldman Sachs provided its opinion for the information and assistance of our board of directors in connection with our board of directors' consideration of the transaction. The Goldman Sachs opinion is not a recommendation as to how any holder of Starent's common stock should vote with respect to the transaction, or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to stockholders and Annual Reports on Form 10-K of Starent for the two fiscal years ended December 31, 2008;

Starent's Registration Statement on Form S-1, including the prospectus contained therein dated June 5, 2007;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Starent;

certain other communications from Starent to our stockholders;

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certain publicly available research analyst reports for Starent; and

certain internal financial analyses and forecasts for Starent prepared by our management, as approved for Goldman Sachs' use by us (the Forecasts).

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Goldman Sachs also held discussions with members of the senior management of Starent regarding their assessment of the past and current business operations, financial condition, and future prospects of Starent. In addition, Goldman Sachs reviewed the reported price and trading activity for the Starent common stock, compared certain financial and stock market information for Starent with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the technology industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

For purposes of rendering the opinion described above, Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by it and Goldman Sachs does not assume any liability for any such information. In that regard, Goldman Sachs assumed with our consent that the Forecasts had been reasonably prepared on a basis reflecting the best then-currently available estimates and judgments of the management of Starent. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Starent or any of our subsidiaries, nor was any evaluation or appraisal of the assets or liabilities of Starent or any of our subsidiaries furnished to Goldman Sachs. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transaction will be obtained without any adverse effect on the expected benefits of the transaction in any way meaningful to its analysis. Goldman Sachs also assumed that the transaction will be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis. In addition, Goldman Sachs did not express any opinion as to the impact of the transaction on the solvency or viability of Starent or Cisco or the ability of Starent or Cisco to pay its obligations when they come due. Goldman Sachs' opinion does not address any legal, regulatory, tax or accounting matters, nor does it address the underlying business decision of Starent to engage in the transaction or the relative merits of the transaction as compared to any strategic alternatives that may be available to Starent. Goldman Sachs was not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of, or other business combination with, Starent or any other alternative transaction. Goldman Sachs' opinion addresses only the fairness from a financial point of view, as of the date of the opinion, of the \$35.00 per share in cash to be paid to the holders of shares (other than the Excluded Shares) of Starent common stock pursuant to the merger agreement. Goldman Sachs does not express any view on, and its opinion does not address, any other term or aspect of the merger agreement or the transaction or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the transaction, including, without limitation, the fairness of the transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Starent; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Starent, or class of such persons in connection with the transaction, whether relative to the \$35.00 per share in cash to be paid to the holders of shares (other than the Excluded Shares) of Starent common stock pursuant to the merger agreement or otherwise. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to our board of directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 9, 2009 and is not necessarily

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indicative of current market conditions. Other than as otherwise described below, the financial metrics and other information described below exclude the effect of equity compensation expenses.

Historical Stock Trading Analysis

Goldman Sachs reviewed the historical trading prices and volumes for the Starent common stock for the period beginning June 6, 2007 (the date following the initial public offering of Starent common stock) and ended October 9, 2009, the one-year period ended October 9, 2009, the six-month period ended October 9, 2009 and the three-month period ended October 9, 2009. In addition, Goldman Sachs analyzed the consideration to be paid to holders of Starent common stock pursuant to the merger agreement in relation to the market price as of October 9, 2009, the high and low market prices for the 52 week period ended October 9, 2009, the all time high and low market price as of October 9, 2009, the average market prices for the one-week, one-month, three-month, six-month and one-year periods ended October 9, 2009, and the average market prices since the initial public offering of Starent common stock during the period between June 6, 2007 and October 9, 2009.

This analysis indicated that the price per share to be paid to Starent stockholders pursuant to the merger agreement represented:

a premium of 20.2% based on the October 9, 2009 market price of \$29.11 per share;

a premium of 20.2% based on the latest 52 weeks high market price of \$29.11 per share;

a premium of 360.5% based on the latest 52 weeks low market price of \$7.60 per share;

a premium of 15.7% based on the all time high market price of \$30.24 per share;

a premium of 360.5% based on the all time low market price of \$7.60 per share;

a premium of 25.7% based on the latest one week average market price of \$27.84 per share;

a premium of 35.9% based on the latest one month average market price of \$25.75 per share;

a premium of 45.1% based on the latest three month average market price of \$24.12 per share;

a premium of 56.7% based on the latest six month average market price of \$22.33 per share;

a premium of 100.2% based on the latest one year average market price of \$17.48 per share; and

a premium of 107.6% based on the average market price since Starent's initial public offering of \$16.86 per share.

Goldman Sachs also reviewed share price to earnings per share, or P/E, multiples for Starent over the eighteen-month period between April 7, 2008 and October 9, 2009 based on IBES one-year forward P/E estimates over such period. This analysis indicated that Starent's common stock traded at the following one-year forward calendar year P/E multiples for the following periods:

| Period | IBES One-Year Forward Calendar Year P/E Multiple |
|------------------------|---|
| October 9, 2009 | 31.5x |
| One Month Average | 27.9x |
| Two Month Average | 26.2x |
| Three Month Average | 26.5x |
| Six Month Average | 25.6x |
| One Year Average | 20.7x |
| Eighteen Month Average | 20.5x |

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Goldman Sachs used the foregoing multiples to calculate the implied price per share of Starent's common stock based on management's estimates of 2010 earnings per share, or EPS, of \$1.15 and IBES estimates of 2010 EPS of \$0.93. The results of this analysis are summarized in the table below:

| One-Year Forward Calendar Year P/E Multiple | Price Based on Management Estimates | Price Based on IBES Estimates |
|--|--|--------------------------------------|
| October 9, 2009 | \$36.19 | \$29.11 |
| One Month Average | \$32.05 | \$25.78 |
| Two Month Average | \$30.08 | \$24.19 |
| Three Month Average | \$30.53 | \$24.55 |
| Six Month Average | \$29.41 | \$23.65 |
| One Year Average | \$23.83 | \$19.17 |
| Eighteen Month Average | \$23.53 | \$18.92 |

Implied Transaction Multiples

Goldman Sachs calculated and compared various financial multiples and ratios of Starent based on information provided by our management and IBES estimates for 2009 and 2010. Goldman Sachs calculated an implied equity value by multiplying the market price of \$29.11 as of October 9, 2009 and the \$35.00 in cash to be paid to holders of our common stock pursuant to the merger agreement, respectively, by the total number of outstanding shares of our common stock as of October 9, 2009 calculated by taking the number of basic shares outstanding as of October 9, 2009 and using the treasury stock method for option dilution. Goldman Sachs then calculated an implied enterprise value for us by adding the book value of debt less cash, as provided by our management, to the implied equity value. The results of this analysis are summarized in the table below:

| IBES Estimate and Management Estimate Multiples | Multiple Based on \$29.11 per Share Price | Multiple Based on \$35.00 per Share Price |
|--|--|--|
| Enterprise Value to: | | |
| 2009 Revenue (IBES Estimate) | 5.9x | 7.4x |
| 2009 Revenue (Management Estimate) | 5.9x | 7.3x |
| 2010 Revenue (IBES Estimate) | 4.8x | 6.0x |
| 2010 Revenue (Management Estimate) | 4.5x | 5.6x |
| 2009 EBIT (IBES Estimate) | 20.5x | 25.8x |
| 2009 EBIT (Management Estimate) | 17.9x | 22.5x |
| 2010 EBIT (IBES Estimate) | 17.0x | 21.4x |
| 2010 EBIT (Management Estimate) | 13.6x | 17.1x |
| Price to: | | |
| 2009 EPS (IBES Estimate) | 36.4x | 43.8x |
| 2009 EPS (Management Estimate) | 32.6x | 39.2x |
| 2010 EPS (IBES Estimate) | 31.5x | 37.8x |
| 2010 EPS (Management Estimate) | 25.3x | 30.5x |

Selected Companies Analysis

Goldman Sachs reviewed and compared certain financial information for Starent to corresponding financial information, certain financial ratios and multiples for the following publicly traded corporations in the technology industry:

Telco Focused Equipment Vendors:

Acme Packet, Inc.

Airvana, Inc.

Ciena Corporation

Ericsson LM Telephone Company

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Infinera Corporation

Juniper Networks, Inc.

Sonus Networks, Inc.

Tekelec

Tellabs, Inc.

Broad System and Handset Vendors:

Alcatel-Lucent

Cisco Systems, Inc.

Motorola, Inc.

Nokia Corporation

Research in Motion Limited

Other High Growth Communications Technology:

Aruba Networks, Inc.

F5 Networks, Inc.

Riverbed Technology, Inc.

Although none of the selected companies is directly comparable to Starent, the companies included were chosen because they are publicly traded companies with operations and financial profiles that for purposes of analysis may be considered similar to certain operations of Starent.

Goldman Sachs also calculated and compared various financial multiples and ratios based on financial data as of October 9, 2009, information it obtained from SEC filings and IBES estimates. The multiples and ratios for Starent were calculated using the closing price for the Starent common stock on October 9, 2009 of \$29.11, the \$35 in cash to be paid to holders of our common stock pursuant to the merger agreement and estimates provided by our management and IBES estimates for 2009 and 2010. A description of such multiples for Starent can be found above in the section titled "Opinion of Our Financial Advisor - Implied Transaction Multiples." The multiples and ratios for each of the selected companies were calculated based on the closing price of such selected company's common stock as of October 9, 2009, the latest publicly available financial

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statements and calendarized IBES estimates for 2009 and 2010. With respect to the selected companies, Goldman Sachs calculated the following and compared them to the results for Starent:

enterprise value, which is market value of common equity plus book value of debt less cash, as a multiple of calendar year 2009 and 2010 estimated revenues; and

enterprise value as a multiple of calendar year 2009 and 2010 estimated earnings before interest and taxes, or EBIT excluding the effect of any stock-based compensation.

The results of these analyses for the selected companies are summarized as follows:

| Enterprise | Telco Focused Equipment Vendor Companies | | | |
|--------------------------|---|-------|-------------|---------------|
| Value | | | | |
| as a Multiple of: | Range | | Mean | Median |
| 2009 Revenues | 0.8x | 4.1x | 1.9x | 1.7x |
| 2010 Revenues | 0.8x | 3.7x | 1.7x | 1.6x |
| 2009 EBIT | 6.2x | 22.3x | 13.2x | 11.6x |
| 2010 EBIT | 5.6x | 17.6x | 10.7x | 9.7x |

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| Enterprise | Broad System and Handset Vendor Companies | | | |
|--------------------------|--|-------|-------------|---------------|
| Value | Range | | Mean | Median |
| as a Multiple of: | | | | |
| 2009 Revenues | 0.5x | 3.3x | 1.6x | 0.9x |
| 2010 Revenues | 0.5x | 3.2x | 1.5x | 0.9x |
| 2009 EBIT | 11.7x | 16.3x | 13.4x | 12.3x |
| 2010 EBIT | 10.1x | 17.1x | 12.4x | 11.3x |

| Enterprise | Other High Growth Communications Technology Companies | | | |
|--------------------------|--|-------|-------------|---------------|
| Value | Range | | Mean | Median |
| as a Multiple of: | | | | |
| 2009 Revenues | 3.6x | 4.6x | 4.1x | 4.0x |
| 2010 Revenues | 3.1x | 4.2x | 3.6x | 3.5x |
| 2009 EBIT | 19.4x | 63.5x | 35.6x | 23.9x |
| 2010 EBIT | 15.3x | 30.7x | 21.4x | 18.2x |

Goldman Sachs also calculated 2009 and 2010 estimated calendarized P/E multiples for the selected companies excluding the effect of any stock-based compensation and compared them to the results for Starent. The following table presents the results of this analysis for the selected companies:

| Price/Earnings | Telco Focused Equipment Vendor Companies | | | |
|----------------|---|-------|-------------|---------------|
| Multiples: | Range | | Mean | Median |
| 2009 | 13.5x | 34.7x | 24.3x | 23.0x |
| 2010 | 12.3x | 27.5x | 20.3x | 21.0x |

| Price/Earnings | Broad System and Handset Vendor Companies | | | |
|----------------|--|-------|-------------|---------------|
| Multiples: | Range | | Mean | Median |
| 2009 | 17.0x | 18.0x | 17.4x | 17.1x |
| 2010 | 13.2x | 29.2x | 19.4x | 17.2x |

| Price/Earnings | Other High Growth Communications Technology Companies | | | |
|----------------|--|-------|-------------|---------------|
| Multiples: | Range | | Mean | Median |
| 2009 | 25.2x | 61.5x | 42.1x | 39.8x |
| 2010 | 22.5x | 33.8x | 28.8x | 30.2x |

Goldman Sachs also considered estimated calendar years 2009 and 2010 growth rate of revenues and EPS from prior year, estimated calendar years 2009 and 2010 EBIT margin and five-year EPS growth rate provided by IBES estimates and, in the case of Starent, also as provided by management estimates. Management EPS growth metrics were normalized by applying our projected long-term tax rate to the Company's historical earnings for fiscal year 2008.

The following tables present the results of this analysis:

| | Telco Focused Equipment Vendor Companies | | | |
|-----------------------------|---|-------------|---------------|---------|
| | Range | Mean | Median | |
| 2008 to 2009 Revenue Growth | (30.6)% | 14.8% | (7.6)% | (10.8)% |
| 2009 to 2010 Revenue Growth | 0.2% | 17.4% | 8.5% | 9.1% |
| 2009 EBIT Margin | 7.2% | 27.2% | 16.9% | 19.2% |
| 2010 EBIT Margin | 1.7% | 28.9% | 16.3% | 21.0% |
| 2008 to 2009 EPS Growth | (32.2)% | 22.5% | (0.9)% | 5.8% |
| 2009 to 2010 EPS Growth | 6.3% | 38.0% | 19.4% | 18.5% |
| 5 Year EPS Growth Rate | 8.0% | 18.0% | 12.2% | 12.0% |

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| | Broad System and Handset Vendor Companies | | | |
|-----------------------------|--|-------|-------------|---------------|
| | Range | | Mean | Median |
| 2008 to 2009 Revenue Growth | (24.5)% | 49.5% | (1.0)% | (5.5)% |
| 2009 to 2010 Revenue Growth | 1.8% | 22.7% | 8.0% | 4.5% |
| 2009 EBIT Margin | 5.6% | 27.0% | 18.4% | 22.7% |
| 2010 EBIT Margin | 2.8% | 28.1% | 13.2% | 8.8% |
| 2008 to 2009 EPS Growth | (57.4)% | 21.4% | (15.1)% | (9.3)% |
| 2009 to 2010 EPS Growth | 4.7% | 30.2% | 16.8% | 15.6% |
| 5 Year EPS Growth Rate | (9.2)% | 10.0% | 3.5% | 6.5% |

| | Other High Growth Communications Technology Companies | | | |
|-----------------------------|--|--------|-------------|---------------|
| | Range | | Mean | Median |
| 2008 to 2009 Revenue Growth | 1.1% | 14.5% | 9.9% | 14.1% |
| 2009 to 2010 Revenue Growth | 10.9% | 17.7% | 14.8% | 15.9% |
| 2009 EBIT Margin | 5.7% | 23.8% | 15.4% | 16.7% |
| 2010 EBIT Margin | 10.0% | 27.3% | 18.8% | 19.0% |
| 2008 to 2009 EPS Growth | 5.3% | 128.0% | 62.3% | 53.6% |
| 2009 to 2010 EPS Growth | 12.0% | 81.9% | 41.9% | 31.7% |
| 5 Year EPS Growth Rate | 15.0% | 22.5% | 19.2% | 20.0% |

| | Starent | |
|-----------------------------|--------------------------------|--------------------------------------|
| | Based on IBES Estimates | Based on Management Estimates |
| 2008 to 2009 Revenue Growth | 27.0% | 27.9% |
| 2009 to 2010 Revenue Growth | 22.3% | 30.8% |
| 2009 EBIT Margin | 28.7% | 32.6% |
| 2010 EBIT Margin | 28.3% | 32.8% |
| 2008 to 2009 EPS Growth | 41.1% | 39.4% |
| 2009 to 2010 EPS Growth | 15.6% | 29.1% |
| 5 Year EPS Growth Rate | 20.0% | 19.2% |

Discounted Cash Flow Analysis

Goldman Sachs performed an illustrative discounted cash flow analysis on Starent using our management projections. In the illustrative discounted cash flow analyses described in this paragraph and the following two paragraphs, equity compensation expense was treated as a cash expense for purposes of determining EBIT and free cash flow. Goldman Sachs calculated indications of net present value of unlevered free cash flows for Starent for the years 2010 through 2014 using discount rates ranging from 13.0% to 15.0%, reflecting estimates of Starent's weighted average cost of capital. Goldman Sachs calculated implied prices per share of the Starent common stock using illustrative terminal values in the year 2014 based on one-year forward EBIT multiples ranging from 10.0x to 14.0x. These illustrative terminal values were then discounted to calculate implied indications of present values using discount rates ranging from 13.0% to 15.0%. The following table presents the results of this analysis:

| Starent | Illustrative Per Share Value Indications | |
|----------------|---|-------------|
| | \$25 | \$35 |

Goldman Sachs also performed an illustrative sensitivity analysis assuming an illustrative range of compound annual revenue growth rates of 20.0% to 30.0% for years 2010 through 2014 and an illustrative range of EBIT percentage margins of 4.0% above and 4.0% below management estimates of EBIT percentage margin for such years. Assuming a terminal year one-year forward EBIT multiple of 12.0x and using a discount rate of 14.0%, Goldman Sachs calculated indications of net present value of implied unlevered free cash flows for Starent for the years 2010 through 2014 and added this amount to the implied net present value of the terminal value at the end of calendar year 2014. The following table presents the results of this analysis:

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| Starent | Illustrative Per Share Value Indications | |
|--|--|------|
| | \$20 | \$36 |
| Goldman Sachs also performed an illustrative sensitivity analysis assuming an illustrative range of terminal EBIT in the range of 10.0% above and 10.0% below management estimates and assuming a terminal year one-year forward EBIT multiples in the range of 10.0x and 14.0x. Using a discount rate of 14.0%, Goldman Sachs calculated indications of net present value of implied unlevered free cash flows for Starent for the years 2010 through 2014 using management estimates and added this amount to the implied net present value of the terminal value at the end of calendar year 2014. The following table presents the results of this analysis: | | |

| Starent | Illustrative Per Share Value Indications | |
|---------------------------------------|--|------|
| | \$24 | \$36 |
| <i>Selected Transactions Analysis</i> | | |

Goldman Sachs analyzed certain information relating to the following 12 selected transactions in the technology industry since February 9, 2004:

Cisco Systems, Inc. s acquisition of Tandberg ASA announced on October 1, 2009.

EMC Corporation s acquisition of Data Domain, Inc. announced on June 1, 2009.

Brocade Communications Systems, Inc. s acquisition of Foundry Networks, Inc. announced on July 21, 2008.

Convergys Corporation s acquisition of Intervoice, Inc. announced on July 15, 2008.

Arris Group, Inc. s acquisition of C-COR Incorporated announced on September 23, 2007.

Ashmore Investment Management Limited s acquisition of ECI Telecom Ltd. announced on July 2, 2007.

Commscope, Inc. s acquisition of Andrew Corp. announced on June 27, 2007.

Ericsson LM Telephone Co. s acquisition of LHS AG announced on June 5, 2007.

Cisco Systems, Inc. s acquisition of Webex Communications, Inc. announced on March 15, 2007.

Ericsson LM Telephone Company s acquisition of Redback Networks, Inc. announced on December 19, 2006.

Cisco Systems, Inc. s acquisition of Scientific Atlanta, Inc. announced on November 18, 2005.

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Juniper Networks, Inc.'s acquisition of Netscreen Technologies, Inc. announced on February 9, 2004.

While none of the companies that participated in the selected transactions are directly comparable to Starent, the companies that participated in the selected transactions are companies with operations that, for the purposes of analysis, may be considered similar to certain of Starent's results, market size and product profile. For each of the selected transactions, Goldman Sachs calculated and compared the enterprise value as a multiple of estimated following year sales. The following table presents the results of this analysis:

| Enterprise | Selected Transactions | | | | Proposed Transaction | |
|----------------------|-----------------------|------|------|--------|-------------------------------|-------------------------------------|
| Value | | | | | Based on IBES Estimates | Based on Management Estimates |
| as a Multiple of: | Range | | Mean | Median | | |
| Forward 1 Year Sales | 1.1x | 8.1x | 3.4x | 2.9x | 6.0x | 5.6x |

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Goldman Sachs also calculated and compared the price per share as a multiple of following year EPS, excluding the effect of any stock-based compensation. The following table presents the results of this analysis:

| Price Per Share as a Multiple of: | Selected Transactions | | | Proposed Transaction | | |
|--------------------------------------|-----------------------|-------|--------|-------------------------------|-------------------------------------|-------|
| | Range | Mean | Median | Based on IBES Estimates | Based on Management Estimates | |
| Forward 1 Year EPS | 18.2x | 51.7x | 28.9x | 25.0x | 37.8x | 30.5x |

Goldman Sachs also calculated and compared the offer price as a premium to the share price of the targets in the 12 selected transactions. The following table presents the results of this analysis:

| Premium to | Range of Premiums for Selected Transactions | | Mean Premium of Selected Transactions | Median Premium of Selected Transactions | Premium Implied by Proposed Transaction |
|-----------------------|--|-------|--|--|--|
| Target Closing Price: | | | | | |
| One Day Prior | 3.7% | 56.7% | 23.4% | 20.8% | 20.2% |
| One Week Prior | 10.4% | 60.1% | 33.3% | 35.3% | 32.2% |
| One Month Prior | 1.7% | 94.1% | 35.8% | 27.4% | 38.3% |

Present Value of Future Share Price Analysis

Goldman Sachs performed an illustrative analysis of the implied present value of our future price per share of common stock, which is designed to provide an indication of the present value of a theoretical future value of a company's equity as a function of such company's estimated future earnings and its assumed price to future EPS multiple. For this analysis, Goldman Sachs used the estimates for Starent prepared by our management for each of the years 2011 to 2014. Goldman Sachs first calculated the implied values per share of common stock as of January for each of the years 2011 through 2014, by applying price to one-year forward EPS multiples of 20.0x and 25.0x to management estimates of EPS for each of the years 2011 through 2014, and then discounted such values back one year, two years, three years and four years, respectively, using a range of discount rates from 12.0% to 13%, reflecting estimates of our cost of equity. This analysis resulted in a range of implied present values of \$22.88 to \$34.17 per share of Starent common stock.

General

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs's opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Starent or the contemplated transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs's providing its opinion to our board of directors as to the fairness from a financial point of view of the \$35.00 per share in cash to be paid to the holders of shares (other than the Excluded Shares) of Starent common stock pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Starent, Cisco, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

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The merger consideration was determined through arms-length negotiations between Starent and Cisco and was approved by our board of directors. Goldman Sachs provided advice to Starent during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to us or our board of directors or that any specific amount of consideration constituted the only appropriate consideration for the transaction.

As described above, Goldman Sachs's opinion to our board of directors was one of many factors taken into consideration by our board of directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex C.

Goldman Sachs and its affiliates are engaged in investment banking and financial advisory services, commercial banking, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, Goldman Sachs and its affiliates may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of third parties, Starent, Cisco and any of their respective affiliates or any currency or commodity that may be involved in the transaction for their own account and for the accounts of their customers. Goldman Sachs acted as financial advisor to Starent in connection with, and participated in certain of the negotiations leading to, the transaction contemplated by the agreement. In addition, Goldman Sachs has provided certain investment banking and other financial services to Starent and its affiliates from time to time, including having acted as joint lead manager on our initial public offering of 12,115,067 shares of Starent common stock in June 2007; and joint bookrunner on its public offering of 8,000,000 shares of Starent common stock in November 2007. Goldman Sachs also has provided certain investment banking and other financial services to Cisco and its affiliates from time to time, including having acted as joint bookrunner with respect to a public offering of Cisco's 4.95% Senior Notes due 2019 (aggregate principal amount \$2 billion) and 5.90% Senior Notes due 2039 (aggregate principal amount \$2 billion) in February 2009; and as counterparty to an interest rate derivative transaction entered into by Cisco in February 2009. Goldman Sachs also may provide investment banking and other financial services to Starent and Cisco and their respective affiliates in the future. In connection with the above-described services Goldman Sachs has received, and may receive, compensation.

Our board of directors selected Goldman Sachs as our financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to a letter agreement dated September 23, 2009, we engaged Goldman Sachs to act as our financial advisor in connection with the contemplated transaction. Pursuant to the terms of this engagement letter, we agreed to pay Goldman Sachs a transaction fee of 0.70% of the aggregate consideration paid in the transaction, or approximately \$20 million, the principal portion of which is contingent upon consummation of the transaction. In addition, we agreed to reimburse Goldman Sachs for its expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Financial Forecasts

Our management shared internal financial forecasts (which we refer to as the Financial Forecasts) with Goldman Sachs for purposes of the opinion described above and with our board of directors for purposes of evaluating the merger. The Financial Forecasts showed revenues of \$325 million, \$425 million, \$552 million, \$718 million, \$934 million and \$1,167 million, adjusted earnings before interest and taxes, or Adjusted EBIT, of \$106 million, \$139 million, \$159 million, \$201 million, \$252 million and \$303 million and adjusted earnings per share, or Adjusted EPS, of \$0.89, \$1.15, \$1.29, \$1.57, \$1.88 and \$2.15, in each case for fiscal years 2009, 2010,

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2011, 2012, 2013 and 2014, respectively. In each case the adjustments excluded all stock-based compensation expense. The Financial Forecasts also showed unlevered free cash flow, or earnings net of depreciation and amortization but after deducting any changes in working capital and capital expenditures, of \$41 million, \$28 million, \$41 million, \$47 million and \$63 million, in each case for fiscal years 2010, 2011, 2012, 2013 and 2014, respectively.

Starent provided to Cisco the same financial forecasts set forth above for the period from 2009 to 2012. In addition, in response to an earlier diligence request from Cisco, Starent had presented to Cisco financial forecasts for fiscal years 2013 and 2014 higher than those set forth above. These initial forecasts, which were prepared by simply applying constant revenue growth rates of 35% after 2012, were later changed to include growth assumptions that Starent management believed to be more reasonable, as reflected in the Financial Forecasts.

Also, in the course of our discussions with Cisco, our management presented to Cisco an upside financial forecast for 2010. This upside 2010 forecast showed revenues of \$450 million, Adjusted EBIT of \$150 million and Adjusted EPS of \$1.25, based upon an assumption that we would obtain and recognize significant revenue from sales to a major new customer in 2010. Our management did not make such an assumption in the preparation of the Financial Forecasts because it did not believe it was the most likely occurrence.

Adjusted EBIT and Adjusted EPS are non-GAAP measures that exclude stock-based compensation expense. Adjusted EBIT and Adjusted EPS are used by management as supplemental financial measurements to evaluate Starent's operational trends and should not be considered as an alternative to EBIT or EPS as indicators of Starent's operating performance. Unlevered free cash flow is a non-GAAP measure that adds back depreciation and amortization expense and subtracts increases in working capital and capital expenditures. Unlevered free cash flow is used by management as a supplemental financial measurement to evaluate Starent's operational trends and should not be considered as an alternative to cash flows or net income as an indicator of Starent's operating performance. None of Adjusted EBIT, Adjusted EPS or unlevered free cash flow is defined under GAAP and, accordingly, they may not be comparable measurements to those used by other companies.

The financial forecasts stated above are included in this proxy statement to provide our stockholders access to certain nonpublic information considered by our board of directors during its evaluation of the merger and provided to Goldman Sachs in connection with its opinion to our board of directors that, as of October 12, 2009 and based upon and subject to the factors and assumptions set forth therein, the \$35.00 per share in cash to be paid to the holders of shares (other than any shares the consideration for which will be or become subject to vesting or similar requirements) of our common stock pursuant to the merger agreement was fair from a financial point of view to such holders. The inclusion of this information should not be regarded as an indication to any stockholder that our board of directors or any other recipient of this information considered, or now considers, it to be predictive of actual future results, and they should not be relied on as such. The forecasts reflect numerous estimates and assumptions with respect to industry performance, general business, economic, regulatory, market and financial conditions, as well as matters specific to Starent's business, all of which are difficult to predict and many of which are beyond Starent's control. As a result, there can be no assurance that the forecasted results will be realized or that actual results will not be significantly higher or lower than forecasted. Since the forecasts cover multiple years, such information by its nature becomes less predictive with each successive year. Also, the economic and business environments can and do change quickly, which adds a significant level of unpredictability, unreliability and execution risk. These factors create significant doubt as to whether the forecasts for fiscal years 2010 and beyond are likely to be achieved. As a result, the forecasts are not necessarily indicative of future results. In addition, Starent prepared the forecasts prior to our board of directors' approval of the merger agreement and, accordingly, the forecasts do not reflect the effects of the merger, which may cause results to differ materially. Accordingly, readers of this proxy statement are cautioned not to place undue reliance on the financial forecasts.

The financial forecasts stated above were prepared for internal use and not with a view toward public disclosure or toward complying with generally accepted accounting principles in the United States, or GAAP, the published guidelines of the SEC regarding forecasts or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The forecasts

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included in this proxy statement were prepared by, and are the responsibility of, our management. We do not assume any responsibility to update these forecasts. Neither our independent registered public accounting firm, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the financial forecasts contained herein, nor have they expressed any opinion or any other form of assurance on such forecasts or their achievability, and assume no responsibility for, and disclaim any association with, the financial forecasts. Furthermore, the financial forecasts do not take into account any circumstances or events occurring after the date the forecasts were prepared that were unforeseen by our management at the time of preparation. We have made publicly available our actual results of operations for the quarter ended September 30, 2009. Starent stockholders should review our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 to obtain this information. See *Where You Can Find More Information* beginning on page 74.

None of Starent or our affiliates, advisors, officers, directors or representatives has made or makes any representation to any stockholder or other person regarding the ultimate performance of Starent compared to the information contained in the forecasts or that forecasted results will be achieved.

BY INCLUDING IN THIS PROXY STATEMENT A SUMMARY OF ITS INTERNAL FINANCIAL FORECASTS, STARENT UNDERTAKES NO OBLIGATIONS TO UPDATE, OR PUBLICLY DISCLOSE ANY UPDATE TO, THESE FINANCIAL FORECASTS TO REFLECT CIRCUMSTANCES OR EVENTS, INCLUDING UNANTICIPATED EVENTS, THAT MAY HAVE OCCURRED OR THAT MAY OCCUR AFTER THE PREPARATION OF THESE FORECASTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE FINANCIAL FORECASTS ARE SHOWN TO BE IN ERROR OR CHANGE.

Interests of Starent's Executive Officers and Directors in the Merger

When considering the recommendation of our board of directors, you should be aware that the members of our board of directors and our executive officers have interests in the merger other than their interests as Starent stockholders generally, pursuant to certain agreements between such directors and executive officers and us and, in the case of certain of the executive officers, pursuant to employment agreements with Cisco. These interests may be different from, or in conflict with, your interests as a Starent stockholder. The members of our board of directors were aware of the material facts as to these additional interests, and considered them, when they approved the merger agreement.

Overview

Prior to our entering into the merger agreement, each of our executive officers was party to an executive retention agreement pursuant to which he was entitled to certain payments and benefits upon his termination without cause or resignation for good reason (as those terms were defined in the executive officer's executive retention agreement with us), within one year following or otherwise in connection with the closing of a merger. In addition, the executive retention agreements entitled our executive officers to full acceleration of vesting of stock options, restricted stock and restricted stock units granted to them if their employment ended in a manner that qualified them for severance. In connection with execution of the merger agreement, each of Messrs. Ashraf M. Dahod, Pierre G. Kakhale, Vijay Kathuria, Thierry Maupilé, Anthony P. Schoener and Gennady H. Sirota entered into an employment agreement with Cisco, which supersedes his executive retention agreement with us and pursuant to which he will be entitled to receive payments and benefits upon certain terminations of his employment.

In connection with his employment agreement with Cisco, each of Messrs. Dahod, Kakhale, Kathuria, Maupilé, Schoener and Sirota entered into benefit waivers with us agreeing to waive his rights to acceleration of vesting with respect to Starent equity awards under the 2000 Stock Incentive Plan and all other agreements with us, including his executive retention agreement. Each of the foregoing Starent executive officers has also agreed to waive his rights to severance payments under his executive retention agreement and any future rights to severance for such executive officer will be determined solely under the new employment agreement with Cisco. In addition, Messrs. Dahod, Kathuria and Schoener have agreed to the imposition of new vesting restrictions on a portion of their Starent stock options. These unvested Starent stock options will be converted into unvested Cisco options and are referred to as the re-vesting Cisco stock options, and, for Mr. Dahod (if he elects to have fewer

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stock options become subject to revesting), new vesting restrictions will be imposed on a portion of his shares of our common stock, so that the unvested common stock will be exchanged for unvested cash merger consideration and are referred to as the unvested merger consideration. Mr. Dahod has agreed to the imposition of new vesting restrictions with respect to 766,537 shares of Starent common stock or options, estimated as of October 12, 2009. Mr. Dahod can select whether the new vesting restrictions will be applied partially to options and partially to shares (creating unvested merger consideration) or wholly to options. Messrs. Kathuria and Schoener have agreed to the imposition of new vesting restrictions with respect to 49,080 vested options and 124,579 vested options, respectively, each estimated as of October 12, 2009. The revesting Cisco stock options and unvested merger consideration will vest monthly over the two years following the closing of the merger. The executive officers who entered into employment agreements with Cisco may be entitled to additional payments and benefits upon certain terminations of their employment, as described below in *Other Compensation and Benefit Arrangements*.

Our non-employee directors will be entitled to full acceleration of vesting for all stock options, restricted stock and restricted stock units that they hold, as described below in *Other Compensation and Benefit Arrangements*.

Starent Executive Retention Agreements

The executive retention agreement between Starent and Mr. Milbury is currently still in effect. Pursuant to this agreement, if Cisco terminates Mr. Milbury's employment without cause or Mr. Milbury terminates his employment for good reason (as such terms are defined in the executive retention agreement), in connection with or within 12 months following the closing of the merger, he will be entitled to certain benefits, including a lump sum payment equal to the sum of his annual base salary and target bonus for the year during which the termination occurs, provided, however, that, if his termination occurs prior to the closing of the merger, he will be paid this amount over a twelve-month period following the date of termination rather than in a lump sum. Additionally, under Mr. Milbury's executive retention agreement all outstanding stock options, restricted stock units and shares of restricted stock held by him will become immediately vested and/or exercisable upon any such termination after the closing of the merger (or upon the closing of the merger if his stock options or other awards are not assumed or substituted in connection with the merger).

Cisco Employment Agreements

Each of Messrs. Dahod, Kakhale, Kathuria, Maupilé, Schoener and Sirota has executed an employment agreement with Cisco that will take effect upon closing of the merger and that will become void if the merger agreement is terminated. Upon closing of the merger and the effectiveness of these employment agreements, all prior employment agreements between Starent and these executive officers will terminate other than as described below and they will no longer be entitled to any payments or benefits under the Starent agreements. Under their respective employment agreements with Cisco, these executive officers will be employed with Cisco as follows: Mr. Dahod will serve as a Senior Vice President, General Manager; Mr. Kathuria will serve as a Vice President, General Manager; Mr. Schoener will serve as a Vice President; Mr. Kakhale will serve as an Area Vice President; and Messrs. Maupilé and Sirota will each serve as a Director. Mr. Dahod will report to Pankaj Patel, Cisco's Senior Vice President and General Manager of the Service Provider Group. Each of Messrs. Kathuria, Schoener, Maupilé and Sirota will continue to report to Mr. Dahod. Mr. Kakhale will report to Nick Adamo, Cisco's Senior Vice President, US Service Provider Sales.

Period of Employment. The employment agreements of Messrs. Dahod, Kathuria and Schoener generally require them to remain employed by Cisco for a period of at least two years. The employment agreements of Messrs. Kakhale, Maupilé and Sirota generally require them to remain employed by Cisco for a period of at least one year. However, each executive officer's employment by Cisco is at will and may be terminated at any time for any reason, subject to the obligations described below and applicable law.

Termination Payments. Upon a termination of his employment for any reason under the Cisco employment agreement, each executive officer with such an agreement will be entitled to receive his annual base salary earned through the date of termination and the value of any unused paid time off earned through that date. The

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Cisco employment agreements also provide for the payments and benefits described below if the executive officer's employment is terminated by Cisco without cause, or by the executive officer with good reason, or, where specified below, due to the executive's permanent disability, with each of those terms having the meaning as defined in the Cisco employment agreement.

Each executive officer who has entered into an employment agreement with Cisco will be entitled to any accrued payments, a lump sum cash payment equal to 12 months of his base salary and full acceleration of vesting for any rollover stock options, rollover restricted stock units or unvested cash merger consideration, if his employment is terminated by Cisco without cause, or by the executive with good reason (as those terms are defined in the executive officer's employment agreement with Cisco), at any time prior to the second anniversary of the closing of the merger for Messrs. Dahod, Kathuria or Schoener and prior to the first anniversary of the closing of the merger for Messrs. Kahhale, Maupilé or Sirota, provided that the executive officer executes a release of claims substantially in the form attached to the employment agreement, and satisfies all conditions to make the release effective. In addition, subject to execution of the release of claims, and satisfaction of all conditions to make the release effective, the revesting Cisco options held by each of Messrs. Dahod, Kathuria and Schoener, and any unvested merger consideration held by Mr. Dahod, will vest in full, if his employment ends due to a termination by Cisco without cause or by the executive with good reason or due to his death or permanent disability (as these terms are defined in the Cisco employment agreement) prior to the second anniversary of the closing of the merger. Such payment and benefits are in lieu of any severance benefits that otherwise would be provided to the executive officer under our existing executive retention agreement with that executive officer.

Certain Employment Agreement Definitions. Good reason is defined in each of the executive officer employment agreements with Cisco as (i) the executive officer's relocation without written consent to a facility more than fifty miles from the executive officer's then-current location, (ii) a reduction in the executive officer's then-current annual base salary by more than 10% (other than an equivalent percentage reduction in annual base salaries that applies to such officer's entire business unit), or (iii) a material breach of the employment agreement by Cisco, which, in each case, remains uncured by Cisco after thirty days following written notice from the executive officer. Cause is defined in each employment agreement as termination for (i) continued material failure by the executive officer to perform his duties (other than due to death or permanent disability) after the executive officer has received a written demand for performance, (ii) acts of willful misconduct that have or will have a material adverse effect on Cisco's reputation or business, which acts remain uncured for forty business days following written notice from Cisco, (iii) conviction of or plea of no contest to a felony, (iv) acts of fraud against or misappropriation of property belonging to Cisco, or (v) material breach by the executive officer of the employment agreement, noncompetition agreement, conflict of interest agreement or proprietary information and inventions agreement. Permanent disability is defined in each employment agreement as the executive officer's inability to engage in any substantial gainful activity by reason of any medically diagnosed physical or mental impairment that is expected to result in death or has lasted or can be expected to last for a continuous period of 12 months or more, with the determination of such permanent disability being made by a physician acceptable to Cisco.

Salary. Under their employment agreements with Cisco, the executive officers initially will receive the following annual base salaries: Mr. Dahod \$335,000; Mr. Kahhale \$265,000; Mr. Kathuria \$270,000; Mr. Maupilé \$240,000; Mr. Schoener \$270,000; and Mr. Sirota \$230,000.

Cisco Restricted Stock Unit Grants. Following closing of the merger, Cisco will grant each of these executive officers restricted stock units for shares of Cisco common stock. Mr. Dahod will receive a restricted stock unit for 20,000 shares; Messrs. Kathuria and Schoener will each receive a restricted stock unit for 10,000 shares; Messrs. Kahhale, Maupilé and Sirota will each receive a grant for restricted stock units for that number of shares as will be determined by dividing \$700,000, \$700,000 and \$600,000, respectively, by the closing sale price of Cisco common stock as quoted on The NASDAQ Global Select Market on the date of grant. Subject to the executive officer's continued employment, the restricted stock units will vest and become exercisable in four equal annual installments and be payable not later than 2 1/2 months following the end of the calendar year in which vesting occurs. The new restricted stock units will not accelerate in connection with any termination of the executive officer's employment with Cisco, except as provided under Cisco's Equity Vesting Acceleration Policy for Death.

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and Terminal Illness as in effect on the date the merger closes, under which outstanding equity awards for shares of Cisco common stock would be accelerated, subject to certain conditions and limitations, upon the death or terminal illness of such executive officer.

Cash Retention Bonuses. Under the terms of their employment agreements with Cisco, Messrs. Kathuria and Schoener will each be entitled to a cash retention bonus in the amount of \$800,000. Cisco will pay each of these executive officers 40% of the cash retention bonus in the first regular payroll period following the first anniversary of the closing of the merger and the remaining 60% of the cash retention bonus in the first regular payroll period following the second anniversary of the closing of the merger, in each case, subject to the executive officer's continued active employment with Cisco on the first and second anniversaries of the closing of the merger.

Bridging Allowance. Under the terms of their employment agreements with Cisco, Messrs. Dahod, Maupilé and Sirota will receive a one time bridging allowance, which will be paid in two equal installments, to help the executive officer adjust to the applicable Cisco incentive plan. Cisco will pay the first installment within 30 days following the closing of the merger and the second installment within six months following the closing of the merger, in each case, subject to the executive officer's continued active employment with Cisco through the applicable payment date. Under the terms of his employment agreement with Cisco, Mr. Kahhale, will receive a one time bridging allowance, which will be paid in four equal installments, to help him adjust to the applicable Cisco incentive plan. Cisco will pay the first installment within 30 days following the closing of the merger, the second installment within six months following the closing of the merger, the third installment within twelve months following the closing of the merger, and the fourth installment within eighteen months following the closing of the merger, in each case, subject to Mr. Kahhale's continued active employment with Cisco through the applicable payment date. The amount of each executive officer's bridging allowance is as follows: Mr. Dahod \$100,500; Mr. Kahhale \$80,000; Mr. Maupilé \$72,000; and Mr. Sirota \$69,000.

Compensation Summary

The following table is a summary of the information provided above and sets forth what each of our executive officers will approximately receive in connection with the closing of the merger:

the expected annual base salary or severance payment, as applicable, each executive officer is expected to receive from Cisco;

the aggregate cash retention bonus each executive officer will be eligible to receive following the closing of the merger;

the aggregate bridging allowance each executive officer will be eligible to receive following the closing of the merger;

the value of Cisco restricted stock units each executive officer will receive within 30 days following the closing of the merger; and

the value of stock options, restricted stock units and restricted stock that will vest at the effective time of the merger.

| Name of Executive Officer | Annual Base Salary | Aggregate Cash Retention Bonus | Aggregate Bridging Allowance | Value of Cisco Restricted Stock Units | Value of Acceleration |
|---------------------------|--------------------|--------------------------------|------------------------------|---------------------------------------|-----------------------|
| Ashraf Dahod | \$ 335,000 | \$ | \$ 100,500 | \$ (1) | \$ |
| Pierre Kahhale | 265,000 | | 80,000 | 700,000 | |
| Vijay Kathuria | 270,000 | 800,000 | | (1) | |
| Thierry Maupilé | 240,000 | | 72,000 | 700,000 | |
| Paul Milbury | 280,000 | | | | 3,155,740 |
| Anthony Schoener | 270,000 | 800,000 | | (1) | |
| Gerrady Sirota | 230,000 | | 69,000 | 600,000 | |

(1)

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Messrs. Dahod, Kathuria and Schoener will receive restricted stock units for 20,000, 10,000 and 10,000 shares, respectively, following the closing of the merger. The value of these units will be calculated based on the closing price of Cisco's common stock as reported on The NASDAQ Global Select Market on the date of grant.

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Non-Competition Agreements. Each executive officer who executed an employment agreement with Cisco has also executed a related noncompetition agreement, which provides that for a period of one year in the case of Messrs. Kahhale, Maupilé and Sirota, or two years in the case of Messrs. Dahod, Kathuria and Schoener, following closing of the merger, each of these executive officers will be subject to a restrictive covenant that generally prohibits him, in any capacity, directly or indirectly, from participating or engaging in the design, development, manufacture, production, marketing, sale or servicing of any product, or the provision of any service, that directly relates to systems, hardware, software, technology and services for wireless radio access/mobile networks and wireless broadband anywhere in the United States, Canada and the entire world. These noncompetition agreements replace their existing agreements with us that provide for restrictions during the one-year period after their employment ends. Any executive officer not entering into a noncompetition agreement with Cisco will continue to be bound by the terms of their existing noncompetition agreement with Starent, which provides for restrictions during the one-year period after their employment ends.

Other Compensation and Benefit Arrangements

Stock Options and Restricted Stock Units.

Under the terms of the merger agreement, all outstanding Starent stock options and restricted stock units held by employees of Starent, including our executive officers, who will continue to be employees of Cisco or a subsidiary of Cisco following the merger, whom we refer to as the continuing employees, and any other stock options granted under our 2000 Stock Incentive Plan, including stock options granted to the members of our board of directors under such plan, will be assumed by Cisco and become stock options or restricted stock units, as the case may be, for Cisco common stock having equivalent economic value. All stock options and restricted stock units held by the non-employee members of our board of directors will accelerate in full at the effective time of the merger. In addition, all outstanding options granted under our 2000 Stock Incentive Plan will accelerate up to 25% of the original number of shares subject to such awards upon the closing of the merger, other than awards held by our executive officers who have executed benefit waivers (which will not accelerate) and awards held by non-employee members of our board of directors (which will fully accelerate).

Under the terms of the merger agreement, Cisco will not assume any stock options, or restricted stock units granted under our 2007 Stock Incentive Plan to persons who are not continuing employees, including members of our board of directors. Instead, the vested portion of such awards will be converted into the right to receive the cash out amount, as described above under Treatment of Options Outstanding Under Our Stock Plans and Treatment of Restricted Shares and Restricted Stock Units Outstanding Under Our Stock Plans. For a more complete description of the treatment of our stock options, restricted stock units and shares of restricted stock in the merger, see Treatment of Options Outstanding Under Our Stock Plans and Treatment of Restricted Shares and Restricted Stock Units Outstanding Under Our Stock Plans.

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The table below sets forth, as of October 9, 2009, for each of our directors and executive officers, the number of stock options whose vesting would accelerate at the effective time of the merger, the dollar value of such accelerated stock options, the number of vested and unvested stock options held, and the dollar value of all stock options held, assuming in each case that the terms of the executive officer's employment agreements with Cisco or executive retention agreements with Starent were in effect as of October 9, 2009 and that each director and executive officer exercises all vested in-the-money stock options and receives \$35.00 per share of common stock pursuant to the merger.

| Name | Total Number of Options whose Vesting would Accelerate at the Closing | Dollar Value of Accelerated Options (1) | Total Number of All Options at the Closing (2) | Dollar Value of All Stock Options (1) |
|----------------------------------|---|---|--|---------------------------------------|
| <i>Directors:</i> | | | | |
| Edward Anderson | 25,471 | \$ 467,751 | 33,651 | \$ 623,472 |
| Timothy Barrows | 25,471 | \$ 467,751 | 33,651 | \$ 623,472 |
| Ashraf Dahod | | | 1,328,832 | \$ 39,932,284 |
| Sean Dalton | 46,305 | \$ 1,090,062 | 100,317 | \$ 2,614,785 |
| Matthew Desch | 43,697 | \$ 990,270 | 53,739 | \$ 1,242,449 |
| James Dolce | 25,471 | \$ 467,751 | 33,651 | \$ 623,472 |
| Kenneth Goldman | 40,917 | \$ 876,906 | 84,249 | \$ 2,118,228 |
| <i>Other Executive Officers:</i> | | | | |
| Pierre Kahhale | | | 224,161 | \$ 6,049,122 |
| Vijay Kathuria | | | 369,119 | \$ 10,349,728 |
| Thierry Maupilé | | | 301,420 | \$ 8,109,624 |
| Paul Milbury | 108,333 | \$ 3,155,740 | 331,227 | \$ 8,433,001 |
| Anthony Schoener | | | 420,786 | \$ 12,280,573 |
| Gennady Sirota | | | 150,421 | \$ 3,720,526 |

- (1) The dollar value of options is calculated by subtracting the per share exercise price of the options from \$35.00 per share and multiplying the amount of this difference by the total number of option shares. The amounts reflect hypothetical exercises at \$35.00 per share. All such outstanding options existing at the time of the closing of the merger (other than options granted under the 2007 Stock Incentive Plan held by persons not continuing employment with Starent or Cisco) will be assumed by Cisco and will become options to purchase Cisco common stock having equivalent economic spread value (subject to certain rounding conventions). The amounts ultimately realized under the assumed options will vary with changes in the price of Cisco's common stock.
- (2) The total number of all options at the closing includes options whose vesting would accelerate at the closing of the merger and options that remain unvested as of the closing of the merger.

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The table below sets forth, as of October 9, 2009, for each of our directors and executive officers, the number of restricted stock units whose vesting would accelerate at the closing of the merger, the dollar value of such restricted stock units, the number of restricted stock units held, and the dollar value of all restricted stock units held, assuming in each case that the terms of the executive officer's employment agreements with Cisco or executive retention agreements with Starent were in effect as of October 9, 2009.

| Name | Total Number of RSUs whose Vesting would Accelerate at the Closing | Dollar Value of Accelerated RSUs (1) | Total Number of All RSUs at the Closing (2) | Dollar Value of All RSUs (1) |
|----------------------------------|--|--------------------------------------|---|------------------------------|
| <i>Directors:</i> | | | | |
| Edward Anderson | 1,747 | \$ 61,145 | 1,747 | \$ 61,145 |
| Timothy Barrows | 1,747 | \$ 61,145 | 1,747 | \$ 61,145 |
| Ashraf Dahod | | | 30,000 | \$ 1,050,000 |
| Sean Dalton | 1,747 | \$ 61,145 | 1,747 | \$ 61,145 |
| Matthew Desch | 1,747 | \$ 61,145 | 1,747 | \$ 61,145 |
| James Dolce | 1,747 | \$ 61,145 | 1,747 | \$ 61,145 |
| Kenneth Goldman | 1,747 | \$ 61,145 | 1,747 | \$ 61,145 |
| <i>Other Executive Officers:</i> | | | | |
| Pierre Kahhale | | | 14,044 | \$ 491,540 |
| Vijay Kathuria | | | 15,634 | \$ 547,190 |
| Thierry Maupilé | | | 9,672 | \$ 338,520 |
| Paul Milbury | | | 20,537 | \$ 718,795 |
| Anthony Schoener | | | 15,634 | \$ 547,190 |
| Gennady Sirota | | | 9,672 | \$ 338,520 |

- (1) The dollar value of restricted stock units is calculated by multiplying the number of shares underlying the restricted stock unit by \$35.00. All such outstanding restricted stock units existing at the time of the closing of the merger (other than restricted stock units granted under the 2007 Stock Incentive Plan held by person not continuing employment with Starent or Cisco) will be assumed by Cisco and will become options to purchase Cisco common stock having equivalent economic value (subject to certain rounding conventions). The amounts ultimately realized under the assumed restricted stock units will vary with changes in the price of Cisco's common stock.
- (2) The total number of restricted stock units at the closing consists of the total number of restricted stock units prior to acceleration, including restricted stock units whose vesting would accelerate at the closing of the merger and restricted stock units will not be settled prior to the closing of the merger.

Restricted Stock. Under the terms of the merger agreement, cash payments made by Cisco in respect of shares of Starent common stock that are restricted, not fully vested or subject to repurchase rights at the time of the merger will be made subject to the same restrictions, vesting arrangements or repurchase rights as the shares of common stock with respect to which the payments are made. Therefore, cash otherwise payable upon conversion of each share of Starent common stock that immediately prior to the consummation of the merger was restricted or not fully vested will not be payable by Cisco at the effective time of the merger, and will instead be paid out on the date that such share of Starent common stock would have become vested under the vesting schedule in place for such share immediately prior to the effective time of the merger (subject to the conditions and other terms of such vesting schedule, and provided that if such conditions and terms are not satisfied and vesting ceases to continue at any point after the effective time of the merger, no cash payments will be made, except the repurchase price, if applicable, with respect to the unvested shares of Starent common stock).

As discussed above, all shares of restricted stock held by members of Starent's board of directors that are outstanding prior to the closing date of the merger will accelerate and become fully vested upon consummation of the merger. The vesting of restricted shares granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number of shares subject to such awards upon the closing of the merger,

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other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers (whose awards will not automatically accelerate in connection with the merger). The specific amount of acceleration is set forth in the individual restricted stock agreements.

The table below sets forth, as of October 9, 2009, the number of shares of restricted stock whose vesting would accelerate at the closing of the merger, the dollar value of such accelerated shares of restricted stock, the total number of shares of restricted stock held by each of our directors and executive officers at the closing of the merger and the dollar value of such shares of restricted stock.

| Name | Total Number of Restricted Shares whose Vesting would Accelerate at the Closing | Dollar Value of Accelerated Restricted Shares | Total Number of All Restricted Shares at the Closing(1) | Dollar Value of All Restricted Shares at the Closing(1) |
|----------------------------------|---|---|---|---|
| <i>Directors:</i> | | | | |
| Edward Anderson | 20,834 | \$ 622,312 | 20,834 | \$ 622,312 |
| Timothy Barrows | 20,834 | \$ 622,312 | 20,834 | \$ 622,312 |
| Ashraf Dahod | | | | |
| Sean Dalton | | | | |
| Matthew Desch | | | | |
| James Dolce | 20,834 | \$ 622,312 | 20,834 | \$ 622,312 |
| Kenneth Goldman | | | | |
| <i>Other Executive Officers:</i> | | | | |
| Pierre Kakhale | | | | |
| Vijay Kathuria | | | | |
| Thierry Maupilé | | | 16,667(2) | \$ 583,345 |
| Paul Milbury | | | | |
| Anthony Schoener | | | | |
| Gennady Sirota | | | | |

- (1) The total number of shares of restricted stock at the closing includes shares of restricted stock whose vesting accelerates at the closing of the merger and shares of restricted stock that will remain unvested at the closing of the merger.
- (2) Assumes that the closing of the merger will occur between January 9, 2010 and April 8, 2010.

Indemnification and Insurance

For six years after the effective time of the merger, Cisco will assume, and will cause the surviving corporation of the merger to fulfill and honor, all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the effective time of the merger now existing in favor of our directors and officers immediately prior to the effective time, in each case, subject to applicable legal requirements.

In addition, for six years after the effective time of the merger, the surviving corporation will maintain, to the extent commercially available, our directors and officers liability insurance in effect on the date of the merger agreement, for the benefit of those persons who were immediately prior to the effective time of the merger covered by our directors and officers liability insurance policies for acts or omissions occurring prior to the effective time of the merger. The surviving corporation's obligation to provide this insurance coverage is subject to a cap on annual premiums equal to 300% of our most recently paid annual premium for such insurance coverage. The surviving corporation is permitted to substitute a tail insurance policy for our existing insurance

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policy so long as it provides comparable coverage. If the surviving corporation cannot maintain the existing or equivalent insurance coverage without exceeding the cap, the surviving corporation may reduce the amount of insurance coverage, or substitute a tail policy, to the amount of coverage that can be obtained by paying annual premiums that in the aggregate do not exceed 300% of our most recently paid annual premium.

Cisco Systems Relationship with Starent's Financial Advisor

Goldman Sachs, the financial advisor to Starent in the merger, has along with its affiliates provided certain services, including investment banking and financial services, to Cisco and its affiliates from time to time. Cisco has informed us that, among other things, Goldman Sachs acted as joint bookrunner with respect to a public offering of Cisco's 4.95% Senior Notes due 2019 (aggregate principal amount \$2 billion) and 5.90% Senior Notes due 2039 (aggregate principal amount \$2 billion) in February 2009, acted as counterparty to an interest rate derivative transaction entered into by Cisco in February 2009, effected certain market repurchases of Cisco common stock as part of Cisco's stock repurchase program, and performed certain asset management, financial planning and other services for Cisco. Cisco has further informed us that, since 2005, the aggregate fees and commissions paid by Cisco to Goldman Sachs and its affiliates in respect of these services is approximately \$18 million. Goldman Sachs and its affiliates also may provide services to Cisco and its affiliates in the future, and may receive compensation for such services.

Legal Proceedings Regarding the Merger

On October 14, 2009, we, our directors and Cisco were named as defendants in a putative class action complaint, captioned *Whitmeyer v. Starent Networks Corp., et al.*, C.A. No. 09-4378-BLS, filed in the Superior Court, Business Litigation Session, of Suffolk County of the Commonwealth of Massachusetts. That action, purportedly brought on behalf of a class of stockholders, alleges that our directors breached their fiduciary duties in connection with the proposed merger by, among other things, failing to maximize stockholder value, fully inform themselves of Starent's market value, obtain the best financial and other terms, and act in the best interests of public stockholders, and seeking to benefit themselves improperly. The suit further alleges that we and Cisco aided and abetted the directors' purported breaches. Plaintiff seeks declaratory, injunctive and other equitable relief, including to enjoin us and Cisco from consummating the merger, in addition to fees and costs. On October 28, 2009, the defendants filed an answer to the complaint.

On October 20, 2009, we, our directors and Cisco were named as defendants in a second putative class action complaint, captioned *Laborers Local 235 Benefit Funds v. Starent Networks Corp., et al.*, C.A. No. 5002, filed in the Court of Chancery of the State of Delaware. On November 3, 2009, the Plaintiff filed a Verified Amended Complaint. In the amended complaint, the Plaintiff purports to represent a class of stockholders and seeks equitable relief, including to enjoin us and Cisco from consummating the merger, in addition to fees and costs. Plaintiff alleges in the amended complaint that our directors breached their fiduciary duties by, among other things, agreeing to a proposed merger in which the consideration is unfair and inadequate, failing to take steps to maximize stockholder value, and putting their own interests above those of stockholders, and that the preliminary proxy statement we filed with the SEC on October 30, 2009 included materially misleading information concerning the merger. The amended complaint further alleges that Cisco aided and abetted the directors' purported breaches. Also on November 3, 2009, the Plaintiff filed a Motion for Preliminary Injunction seeking to enjoin the merger, and a Motion for Expedited Proceedings. The defendants have yet to file a response to these motions.

We believe that the claims asserted in both these suits are without merit.

Appraisal Rights

If you do not vote for the adoption of the merger agreement at the special meeting and otherwise comply with the applicable statutory procedures of Section 262 of the General Corporation Law of the State of Delaware, or the DGCL, summarized herein, you may be entitled to appraisal rights under Section 262 of the DGCL. In

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order to exercise and perfect appraisal rights, a record holder of our common stock must follow the steps summarized below properly and in a timely manner.

Section 262 of the DGCL is reprinted in its entirety as Annex D to this proxy statement. Set forth below is a summary description of Section 262 of the DGCL. The following summary describes the material aspects of Section 262 of the DGCL, and the law relating to appraisal rights and is qualified in its entirety by reference to Annex D. All references in Section 262 and this summary to stockholder are to the record holder of the shares of our common stock immediately prior to the effective time of the merger as to which appraisal rights are asserted. Failure to comply strictly with the procedures set forth in Section 262 of the DGCL will result in the loss of appraisal rights.

Under the DGCL, holders of our common stock who follow the procedures set forth in Section 262 of the DGCL will be entitled to have their shares appraised by the Delaware Court of Chancery, or the Delaware Court, and to receive payment in cash of the fair value of those shares, exclusive of any element of value arising from the accomplishment or expectation of the merger.

Under Section 262 of the DGCL, where a merger agreement relating to a proposed merger is to be submitted for adoption at a meeting of stockholders, as in the case of the special meeting, the corporation, not less than 20 days prior to such meeting, must notify each of its stockholders who was a stockholder on the record date with respect to such shares for which appraisal rights are available, that appraisal rights are so available, and must include in each such notice a copy of Section 262 of the DGCL. This proxy statement constitutes such notice to the holders of our common stock and Section 262 of the DGCL is attached to this proxy statement as Annex D. Any stockholder who wishes to exercise such appraisal rights or who wishes to preserve his right to do so should review the following discussion and Annex D carefully, because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights under the DGCL.

If you wish to exercise appraisal rights you must not vote for the adoption of the merger agreement and must deliver to Starent, before the vote on the proposal to adopt the merger agreement, a written demand for appraisal of such stockholder's shares of our common stock. If you sign and return a proxy card or vote by submitting a proxy by telephone, through the Internet or by fax, without expressly directing that your shares of our common stock be voted against the adoption of the merger agreement, you will effectively waive your appraisal rights because such shares represented by the proxy will be voted for the adoption of the merger agreement. Accordingly, if you desire to exercise and perfect appraisal rights with respect to any of your shares of common stock, you must either refrain from executing and returning the enclosed proxy card and from voting in person or by submitting a proxy by telephone, through the Internet or by fax, in favor of the proposal to adopt the merger agreement or check either the against or the abstain box next to the proposal on such card or vote in person or by submitting a proxy by telephone, through the Internet or by fax, against the proposal or register in person an abstention with respect thereto. A vote or proxy against the adoption of the merger agreement will not, in and of itself, constitute a demand for appraisal.

A demand for appraisal will be sufficient if it reasonably informs Starent of the identity of the stockholder and that such stockholder intends thereby to demand appraisal of such stockholder's shares of common stock. This written demand for appraisal must be separate from any proxy or vote abstaining from or voting against the adoption of the merger agreement. If you wish to exercise your appraisal rights you must be the record holder of such shares of our common stock on the date the written demand for appraisal is made and you must continue to hold such shares through the effective time of the merger. Accordingly, a stockholder who is the record holder of shares of common stock on the date the written demand for appraisal is made, but who thereafter transfers such shares prior to the effective time of the merger, will lose any right to appraisal in respect of such shares.

Only a holder of record of shares of our common stock is entitled to assert appraisal rights for such shares of our common stock registered in that holder's name. A demand for appraisal should be executed by or on behalf of the holder of record, fully and correctly, as the holder's name appears on the stock certificates and must state that such person intends thereby to demand appraisal of his, her or its shares. If the shares are owned of record in

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a fiduciary capacity, such as by a trustee, guardian or custodian, execution of the demand for appraisal should be made in that capacity, and if the shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including one for two or more joint owners, may execute the demand for appraisal on behalf of a holder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for such owner or owners.

A record holder such as a broker who holds shares as nominee for several beneficial owners may exercise appraisal rights with respect to the shares of our common stock held for one or more beneficial owners while not exercising such rights with respect to the shares held for other beneficial owners; in such case, the written demand should set forth the number of shares as to which appraisal is sought. Where the number of shares of our common stock is not expressly stated, the demand will be presumed to cover all shares held in the name of the record owner. If you hold your shares in brokerage accounts or other nominee forms and wish to exercise your appraisal rights, you are urged to consult with your broker to determine the appropriate procedures for the making of a demand for appraisal.

All written demands for appraisal of shares must be mailed or delivered to: Starent Networks, Corp., 30 International Place, Tewksbury, Massachusetts 01876, Attention: Secretary, or should be delivered to the Secretary at the special meeting, prior to the vote on the adoption of the merger agreement.

Within ten days after the effective time of the merger, we will notify each stockholder of the effective time of the merger who properly asserted appraisal rights under Section 262 and has not voted for the adoption of the merger agreement. Within 120 days after the effective time of the merger, but not thereafter, we or any stockholder who has complied with the statutory requirements summarized above may commence an appraisal proceeding by filing a petition in the Delaware Court demanding a determination of the fair value of the shares held by such stockholder. If no such petition is filed, appraisal rights will be lost for all stockholders who had previously demanded appraisal of their shares. We are not under any obligation, and we have no present intention, to file a petition with respect to appraisal of the value of the shares. Accordingly, if you wish to exercise your appraisal rights, you should regard it as your obligation to take all steps necessary to perfect your appraisal rights in the manner prescribed in Section 262 of the DGCL.

Within 120 days after the effective time of the merger, any stockholder who has complied with the provisions of Section 262 of the DGCL will be entitled, upon written request, to receive from us a statement setting forth the aggregate number of shares of our common stock not voted in favor of adoption of the merger agreement and with respect to which demands for appraisal were received by us, and the number of holders of such shares. Such statement must be mailed within ten days after the written request therefor has been received by us or within ten days after expiration of the period for delivery of appraisal demands, whichever is later. A person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file an appraisal petition or request from us the statement described in this paragraph.

If a petition for an appraisal is timely filed and a copy thereof served upon us, we will then be obligated, within 20 days, to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of the stockholders who have demanded appraisal of their shares and with whom agreements as to the value of their shares have not been reached. After notice to the stockholders as required by the Delaware Court, the Delaware Court is empowered to conduct a hearing on such petition to determine those stockholders who have complied with Section 262 and who have become entitled to appraisal rights thereunder. The Delaware Court may require the stockholders who demanded appraisal rights of our shares of common stock to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceeding; and if any stockholder fails to comply with such direction, the Delaware Court may dismiss the proceedings as to such stockholder.

After the Delaware Court determines which stockholders are entitled to appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Delaware Court, including any rules specifically governing

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appraisal proceedings. Through such proceeding the Delaware Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Delaware Court shall take into account all relevant factors. Unless the Delaware Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. If you are considering seeking appraisal, you should be aware that the fair value of your shares as determined under Section 262 of the DGCL could be more than, the same as or less than the consideration you are entitled to receive pursuant to the merger agreement if you did not seek appraisal of your shares and that investment banking opinions as to the fairness from a financial point of view of the consideration payable in a merger are not necessarily opinions as to fair value under Section 262 of the DGCL. In determining fair value of shares, the Delaware Court will take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court has stated that such factors include market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts which were known or which could be ascertained as of the date of the merger which throw any light on future prospects of the merged corporation. In *Weinberger*, the Delaware Supreme Court stated, among other things, that proof of value by any techniques or methods generally considered acceptable in the financial community and otherwise admissible in court should be considered in an appraisal proceeding. In addition, the Delaware Court has decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenter's exclusive remedy.

The Delaware Court will direct the payment of the fair value of the shares of our common stock who have perfected appraisal rights, together with interest, if any. The Delaware Court will determine the amount of interest, if any, to be paid on the amounts to be received by persons whose shares of our common stock have been appraised. The costs of the action (which do not include attorneys' or expert fees or expenses) may be determined by the Delaware Court and taxed upon the parties as the Delaware Court deems equitable. The Delaware Court may also order that all or a portion of the expenses incurred by any stockholder in connection with an appraisal, including without limitation reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, be charged pro rata against the value of all of the shares entitled to appraisal. In the absence of such determination or assessment, each party bears its own expenses.

Any stockholder who has duly demanded and perfected an appraisal in compliance with Section 262 of the DGCL will not, after the effective time of the merger, be entitled to vote his or her shares for any purpose or be entitled to the payment of dividends or other distributions thereon, except dividends or other distributions payable to holders of record of shares of our common stock as of a date prior to the effective time of the merger.

At any time within 60 days after the effective time of the merger, any stockholder will have the right to withdraw his or her demand for appraisal and to accept the cash payment for his or her shares pursuant to the merger agreement. After this period, a stockholder may withdraw his or her demand for appraisal only with our written consent. If no petition for appraisal is filed with the Delaware Court within 120 days after the effective time of the merger, a stockholder's right to appraisal will cease and he or she will be entitled to receive the cash payment for his or her shares pursuant to the merger agreement, as if he or she had not demanded appraisal of his or her shares. No petition timely filed in the Delaware Court demanding appraisal will be dismissed as to any stockholder without the approval of the Delaware Court, and such approval may be conditioned on such terms as the Delaware Court deems just; provided, however, that any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party may withdraw his, her or its demand for appraisal and accept the merger consideration offered pursuant to the merger agreement within 60 days after the effective date of the merger.

If you properly demand appraisal of your shares of our common stock under Section 262 and you fail to perfect, or effectively withdraw or lose, your right to appraisal, as provided in the DGCL, your shares will be converted into the right to receive the consideration receivable with respect to such shares in accordance with the

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merger agreement. You will fail to perfect, or effectively lose or withdraw, your right to appraisal if, among other things, no petition for appraisal is filed within 120 days after the effective time of the merger, or if you deliver to us a written withdrawal of your demand for appraisal. Any such attempt to withdraw an appraisal demand more than 60 days after the effective time of the merger will require our written approval.

If you desire to exercise your appraisal rights, you must not vote for the adoption of the merger agreement and must strictly comply with the procedures set forth in Section 262 of the DGCL.

Failure to take any required step in connection with the exercise of appraisal rights will result in the termination or waiver of such rights.

Form of the Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, at the effective time of the merger, merger sub, a wholly-owned subsidiary of Cisco and a party to the merger agreement, will merge with and into us. We will survive the merger as a wholly-owned subsidiary of Cisco.

Merger Consideration

At the effective time of the merger, each outstanding share of our common stock, other than treasury shares, shares held by Cisco or any direct or indirect wholly-owned subsidiary of Cisco or us, and shares held by stockholders who perfect their appraisal rights, will be converted into the right to receive \$35.00 in cash, without interest and less any applicable withholding taxes. Treasury shares and shares held by Cisco or any direct or indirect wholly-owned subsidiary of Cisco or us will be cancelled immediately prior to the effective time of the merger.

As of the effective time of the merger, all shares of our common stock will no longer be outstanding and will automatically be cancelled and will cease to exist, and each holder of shares of our common stock will cease to have any rights as a stockholder, except the right to receive \$35.00 per share in cash, without interest and less any applicable withholding taxes (other than stockholders who have perfected their appraisal rights). The price of \$35.00 per share was determined through arm's-length negotiations between Cisco and us.

Treatment of Options Outstanding Under Our Stock Plans

At the effective time of the merger, all of our unexpired, unexercised and outstanding stock options, whether vested or unvested, held by our employees and our subsidiaries' employees who continue employment with the surviving corporation or any of its subsidiaries or who become employed by Cisco or its subsidiaries at that time and all other outstanding options granted under our 2000 Stock Incentive Plan (collectively, rollover options) will be assumed by Cisco with the same terms and conditions (including vesting), except that:

rollover options will be exercisable for that number of whole shares of Cisco common stock equal to the product (rounded down to the next whole number of shares of Cisco common stock, with no cash being payable for any fractional share eliminated by such rounding) of the number of shares of our common stock that were issuable upon exercise of such rollover options immediately prior to the effective time of the merger and the option exchange ratio set forth below;

the per share exercise price for the shares of Cisco common stock issuable upon exercise of a rollover option will be equal to the quotient (rounded up to the next whole cent) obtained by dividing the exercise price per share of our common stock at which such rollover option was exercisable immediately prior to the effective time of the merger by the option exchange ratio;

no rollover option may be early exercised; and

Cisco's board of directors, or one of its committees, will succeed to the authority of our board of directors or our compensation committee with respect to administration of these rollover options under each of our stock incentive plans.

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The merger will not terminate any rollover options. The vesting of rollover options granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number of shares subject to such awards upon the closing of the merger, other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers in connection with their employment agreements with Cisco (whose awards will not automatically accelerate in connection with the merger). The specific amount of acceleration is set forth in the individual stock option agreements.

The option exchange ratio will equal \$35.00 divided by the average closing sale prices for a share of Cisco's common stock as quoted on The NASDAQ Global Select Market for the ten consecutive trading days ending with the third trading day that precedes the closing date of the merger.

At the effective time of the merger, all of our unexpired, unexercised and outstanding vested stock options granted under our 2007 Stock Incentive Plan, held by any person other than our employees and our subsidiaries' employees who continue employment with the surviving corporation or any of its subsidiaries or become **employed by Cisco or its subsidiaries at that time will be cancelled in the merger and converted into the right to receive a cash payment from Cisco in an amount equal to the number of shares under such cancelled options multiplied \$35.00 less the applicable exercise price. Any outstanding unvested stock options granted under our 2007 Stock Incentive Plan held by such persons at the effective time of the merger will be cancelled and terminated.**

Treatment of Restricted Shares and Restricted Stock Units Outstanding Under Our Stock Plans

At the effective time of the merger, shares of our outstanding common stock that are restricted, not fully vested or subject to repurchase rights will be converted into unvested cash merger consideration that will remain subject to the same restrictions, vesting arrangements and repurchase rights following the effective time of the merger. This unvested cash merger consideration payable upon conversion of such restricted shares of common stock in the merger will be paid to the holder of such shares if and only to the extent the holder satisfies the vesting terms or other restrictions.

At the effective time of the merger, all of our outstanding restricted stock unit awards, whether vested or unvested, held by our employees and our subsidiaries' employees who continue employment with the surviving corporation or any of its subsidiaries or become employed by Cisco or its subsidiaries at that time (collectively, rollover RSUs) will be assumed by Cisco with the same terms and conditions (including vesting) except that:

rollover RSUs will be for that number of whole shares of Cisco's common stock equal to the product (rounded down to the next whole number of shares of Cisco common stock, with no cash being payable for any fractional share eliminated by such rounding) of the number of shares of our common stock that were issuable under such rollover RSU immediately prior to the effective time of the merger and the option exchange ratio; and

Cisco's board of directors, or one of its committees, will succeed to the authority of our board of directors or our compensation committee with respect to administration of the rollover RSUs under our stock incentive plans.

At the effective time of the merger, all outstanding restricted stock units under our 2007 Stock Incentive Plan held by any person other than our employees and our subsidiaries' employees who continue employment with the surviving corporation or any of its subsidiaries or become employed by Cisco or its subsidiaries at that time, which have not yet been settled will be cancelled and terminated. There are no outstanding restricted stock units that were granted under our 2000 Stock Incentive Plan.

The merger will not terminate any of the outstanding rollover RSUs or accelerate the vesting of such rollover RSUs upon Cisco's assumption of the rollover RSUs in the merger. The vesting of restricted shares granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number

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of shares subject to such awards upon the closing of the merger, other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers in connection with their employment agreements with Cisco (whose awards will not automatically accelerate in connection with the merger). The specific amount of acceleration is set forth in the individual restricted stock agreements.

Effective Time of the Merger

The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Delaware or at such later time as is agreed upon by Cisco and us and specified in such certificate of merger. The filing of the certificate of merger will occur at the closing, which will take place not later than the second business day after satisfaction or waiver of the conditions to the closing of the merger set forth in the merger agreement and described in this proxy statement, or at such other time as is agreed upon by Cisco and us. We currently anticipate the merger to be completed in the first half of calendar year 2010.

Delisting and Deregistration of Our Common Stock

If the merger is completed, our common stock will be delisted from and will no longer be traded on The NASDAQ Global Select Market and will be deregistered under the Securities Exchange Act. Following the closing of the merger we will no longer be a public company.

Material United States Federal Income Tax Consequences of the Merger

The following discussion summarizes the material U.S. federal income tax consequences of the merger to holders of Starent common stock. This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, the U.S. Treasury Regulations promulgated thereunder and judicial and administrative rulings, all as in effect as of the date of this proxy statement and all of which are subject to change or varying interpretation, possibly with retroactive effect. Any such changes could affect the accuracy of the statements and conclusions set forth herein.

This discussion assumes that holders of Starent common stock hold their shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a holder of Starent common stock in light of such holder's particular circumstances, nor does it discuss the special considerations applicable to holders of our common stock subject to special treatment under the U.S. federal income tax laws, such as, for example, financial institutions or broker-dealers, mutual funds, partnerships or other pass-through entities and their partners or members, tax-exempt organizations, insurance companies, dealers in securities or foreign currencies, traders in securities who elect mark-to-market method of accounting, controlled foreign corporations, passive foreign investment companies, U.S. expatriates, holders who acquired their Starent common stock through the exercise of options or otherwise as compensation, holders who hold their Starent common stock as part of a hedge, straddle, constructive sale or conversion transaction, U.S. holders whose functional currency is not the U.S. dollar, and holders who exercise appraisal rights. This discussion does not address any aspect of foreign, state, local, alternative minimum, estate, gift or other tax law that may be applicable to a U.S. holder.

We intend this discussion to provide only a general summary of the material U.S. federal income tax consequences of the merger to holders of Starent common stock. We do not intend it to be a complete analysis or description of all potential U.S. federal income tax consequences of the merger. The U.S. federal income tax laws are complex and subject to varying interpretation. Accordingly, the Internal Revenue Service may not agree with the tax consequences described in this proxy statement.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Starent common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and activities of the partnership. If you are a partner of a partnership holding Starent common stock, you should consult your own tax advisor.

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All holders should consult their own tax advisor to determine the particular tax consequences to them (including the application and effect of any state, local or foreign income and other tax laws) of the receipt of cash in exchange for shares of Starent common stock pursuant to the merger.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of Starent common stock that is, for U.S. federal income tax purposes:

an individual citizen or resident of the United States;

a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

a trust if (1) its administration is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or

an estate the income of which is subject to U.S. federal income tax regardless of its source.

A "non-U.S. holder" is a beneficial owner (other than a partnership) of Starent common stock that is not a U.S. holder.

U.S. Holders.

The conversion of shares of Starent common stock into cash pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder generally will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount of cash received pursuant to the merger and such U.S. holder's adjusted tax basis in the shares converted into cash pursuant to the merger. Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder's holding period for such shares exceeds one year as of the date of the merger. Long-term capital gains for certain non-corporate U.S. holders, including individuals, are generally eligible for a reduced rate of federal income taxation. The deductibility of capital losses is subject to limitations. If a U.S. holder acquired different blocks of Starent common stock at different times or different prices, such U.S. holder must determine its tax basis, holding period, and gain or loss separately with respect to each block of Starent common stock.

A U.S. holder may, under certain circumstances, be subject to information reporting and backup withholding at the applicable rate (currently, 28%) with respect to the cash received pursuant to the merger, unless such holder properly establishes an exemption or provides its correct tax identification number and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules can be refunded or credited against a payee's U.S. federal income tax liability, if any, provided that such U.S. holder furnishes the required information to the Internal Revenue Service in a timely manner.

Non-U.S. Holders.

Any gain recognized on the receipt of cash pursuant to the merger by a non-U.S. holder generally will not be subject to U.S. federal income tax unless:

the gain is effectively connected with a U.S. trade or business of such non-U.S. holder (and, if required by an applicable income tax treaty, is also attributable to a permanent establishment or, in the case of an individual, a fixed base in the United States maintained by such non-U.S. holder), in which case the non-U.S. holder generally will be subject to tax on such gain in the same manner as a U.S. holder and, if the non-U.S. holder is a foreign corporation, such corporation may be subject to branch profits tax at the rate of 30% (or such lower rate as may be specified by an applicable income tax treaty); or

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the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of the merger and certain other conditions are met, in which case the non-U.S. holder generally will be subject to a 30% tax on the non-U.S. holder's net gain realized in the merger, which may be offset by U.S. source capital losses of the non-U.S. holder, if any; or

the non-U.S. holder owned (directly, indirectly or constructively) more than 5% of Starent's outstanding common stock at any time during the five years preceding the merger, and Starent is or has been a United States real property holding corporation for U.S. federal income tax purposes during such period. Although there can be no assurances in this regard, Starent does not believe that it is or was a United States real property holding corporation for U.S. federal income tax purposes.

A non-U.S. holder will be subject to information reporting and, in certain circumstances, backup withholding (currently, at a rate of 28%) will apply with respect to the cash received by such holder pursuant to the merger, unless such non-U.S. holder certifies under penalties of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the holder is a United States person as defined under the Code) or such holder otherwise establishes an exemption from backup withholding. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be refunded or credited against a non-U.S. holder's U.S. federal income tax liability, if any.

Appraisal Rights

Under specified circumstances a holder may be entitled to appraisal rights in connection with the merger. If a holder of Starent common stock receives cash pursuant to the exercise of appraisal rights, such holder generally will recognize gain or loss, measured by the difference between the cash received and such holder's tax basis in such stock. Interest, if any, awarded in an appraisal proceeding by a court would be included in such holder's income as ordinary income for U.S. federal income tax purposes. Holders of Starent common stock who exercise appraisal rights are urged to consult their own tax advisors.

THE UNITED STATES FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT A COMPLETE ANALYSIS OR DISCUSSION OF ALL POTENTIAL TAX CONSEQUENCES RELEVANT TO STARENT STOCKHOLDERS. THE TAX CONSEQUENCES OF THE MERGER MAY VARY DEPENDING UPON THE PARTICULAR CIRCUMSTANCES OF EACH STOCKHOLDER. YOU SHOULD CONSULT YOUR TAX ADVISOR CONCERNING THE FEDERAL, STATE, LOCAL, FOREIGN OR OTHER TAX CONSEQUENCES OF THE MERGER TO YOU.

Regulatory Matters

The closing of the merger is subject to expiration or termination of the applicable waiting periods under the HSR Act and the rules thereunder, and under applicable foreign antitrust or competition laws. Under the HSR Act and the rules thereunder, the merger may not be completed unless certain information has been furnished to the Antitrust Division of the U.S. Department of Justice and to the Federal Trade Commission and applicable waiting periods expire or are terminated. Cisco and Starent have each filed a notification and report form pursuant to the HSR Act with the Antitrust Division of the Department of Justice and the Federal Trade Commission. The initial thirty day waiting period will expire on November 23, 2009 unless the government extends that period by requesting additional information from the parties. The Antitrust Division, the Federal Trade Commission or others could take action under the applicable antitrust laws with respect to the merger, including seeking to enjoin the closing of the merger, to rescind the merger or to conditionally approve the merger. In addition, we are required to make filings in foreign jurisdictions with competition authorities with respect to the merger, and in certain circumstances, receive their approval prior to consummation of the merger. There can be no assurance that a challenge to the merger on antitrust or competition grounds will not be made or, if such a challenge is made, that it would not be successful.

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THE MERGER AGREEMENT

The following summary describes certain material provisions of the merger agreement. This summary is not complete and is qualified in its entirety by reference to the complete text of the merger agreement, which is attached to this proxy statement as Annex A and incorporated into this proxy statement by reference. We urge you to read carefully the merger agreement in its entirety because this summary may not contain all the information about the merger agreement that is important to you.

The merger agreement and the following description have been included to provide you with information regarding the terms of the merger agreement. It is not intended to provide any other factual information about Starent or Cisco. Such information can be found elsewhere in this proxy statement and in the other public filings we and Cisco make with the SEC, which are available, without charge, at <http://www.sec.gov>.

The representations, warranties and covenants contained in the merger agreement were made for the purposes of the merger agreement and the benefit of the parties to the merger agreement and may have been used for the purposes of allocating contractual risk between the parties to the agreement instead of establishing these matters as facts. Moreover, because these representations and warranties were made as of certain dates indicated in the merger agreement, information concerning the subject matter of the representations and warranties may change after the date of the merger agreement. The representations and warranties and other provisions of the merger agreement should not be read alone, and you should read the information provided elsewhere in this proxy statement and in the documents incorporated by reference into this proxy statement for information regarding Starent and its business. See **Where You Can Find More Information** beginning on page 74.

The Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, at the effective time of the merger, merger sub, a wholly-owned subsidiary of Cisco and a party to the merger agreement, will merge with and into us. We will survive the merger as a wholly-owned subsidiary of Cisco and the separate corporate existence of merger sub will cease.

Effective Time; Closing

The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Delaware or at such later time as is agreed upon by Cisco and us and specified in the certificate of merger. The filing of the certificate of merger will occur at the closing, which will take place no later than the second business day after satisfaction or waiver of the conditions to the closing of the merger set forth in the merger agreement and described in this proxy statement, or at such other time as is agreed upon by Cisco and us. Although we expect to complete the merger as soon as possible following the special meeting of our stockholders, we cannot specify when or assure that we and Cisco will satisfy or waive all of the conditions to the closing of the merger.

Conversion and Surrender of Shares; Procedures for Payment

The conversion of each outstanding share of our common stock into the right to receive \$35.00 per share in cash, without interest and less any applicable withholding taxes, will occur automatically at the effective time of the merger. At or promptly following the effective time of the merger, Cisco will deposit with Computershare Investor Services, the exchange agent, the cash payable under the merger agreement. Promptly following the effective time of the merger, the exchange agent will send a letter of transmittal to each former Starent stockholder of record. The letter of transmittal will contain instructions for obtaining cash in exchange for shares of our common stock.

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Upon surrender of a stock certificate together with a duly completed and validly executed letter of transmittal, and any other documents that may be reasonably required by the exchange agent, or receipt of an appropriate agent's message in the case of book-entry transfer of uncertificated shares, each holder of a certificate or uncertificated shares will be entitled to receive from the exchange agent, acting on behalf of Cisco, payment by check of \$35.00 in cash (subject to applicable withholding) for each share surrendered, and those shares will be cancelled. Until surrendered, stock certificates and uncertificated shares will be deemed from and after the effective time of the merger to represent only the right to receive cash payable under the merger agreement. If a certificate has been lost, stolen or destroyed, the exchange agent will issue payment following receipt of an affidavit of that fact and, if required by Cisco or the exchange agent, an indemnity against claims with respect to the certificate. Any cash deposited with the exchange agent that has not been distributed within six months after the effective time in accordance with procedures summarized above will promptly be paid to Cisco. After such six-month period, former Starent stockholders may look only to Cisco for payment of the merger consideration.

In the event of a transfer of ownership of our common stock that is not registered in our stock transfer books, the merger consideration for shares of our common stock so transferred may be paid to a person other than the person in whose name the surrendered certificate or uncertificated shares are registered if:

the certificate is properly endorsed and is otherwise in proper form for transfer, and

the person requesting such payment:

pays to Cisco or its designated agent any transfer or other taxes resulting from the payment of merger consideration to a person other than the registered holder of the certificate or uncertificated shares; or

establishes to the satisfaction of Cisco or its designated agent that such tax has been paid or is not payable.

No interest will be paid or will accrue on any cash payable in connection with the merger upon the surrender of stock certificates representing shares or uncertificated shares of our common stock. The cash paid or payable following conversion of shares of our common stock in the merger will be issued in full satisfaction of all rights relating to those shares of our common stock.

Appraisal Rights

Shares of our common stock issued and outstanding immediately prior to the effective time of the merger that are held by any holder who has demanded and not effectively withdrawn or lost appraisal rights to such shares will not be converted into the right to receive the cash payment as described above. Instead such holder will only be entitled to payment of the appraised value of such shares in accordance with the DGCL. At the effective time of the merger, all such shares will automatically be cancelled and will cease to exist or be outstanding, and each holder will cease to have any rights with respect to the shares, except for rights granted under Section 262 of the DGCL. In the event a holder withdraws or loses (through failure to perfect or otherwise) the right to appraisal under the DGCL, then the rights of such holder will be deemed to have been converted at the effective time of the merger into the right to receive the merger consideration described above. We are required to serve prompt notice to Cisco of any demands for appraisal that we receive, and Cisco has the right to participate, at its own expense, in all negotiations and proceedings with respect to demands for appraisal under the DGCL. We may not, without Cisco's prior written consent or as otherwise required under the DGCL, voluntarily make any payment with respect to, or settle or offer to settle, any demands for appraisal.

These rights in general are discussed more fully under the section of this proxy statement entitled "The Merger - Appraisal Rights."

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Treatment of Options Outstanding Under Our Stock Plans

At the effective time of the merger, all of our unexpired, unexercised and outstanding stock options, whether vested or unvested, held by our employees and our subsidiaries employees who continue employment with Starent, Cisco, or their subsidiaries and all other outstanding options granted under our 2000 Stock Incentive Plan (collectively, rollover options) will be assumed by Cisco with the same terms and conditions (including vesting) except that:

rollover options will be exercisable for that number of whole shares of Cisco common stock equal to the product (rounded down to the next whole number of shares of Cisco common stock, with no cash being payable for any fractional share eliminated by such rounding) of the number of shares of our common stock that were issuable upon exercise of such rollover options immediately prior to the effective time of the merger and the option exchange ratio set forth below;

the per share exercise price for the shares of Cisco common stock issuable upon exercise of a rollover option will be equal to the quotient (rounded up to the next whole cent) obtained by dividing the exercise price per share of our common stock at which such rollover option was exercisable immediately prior to the effective time of the merger by the option exchange ratio;

no rollover option may be early exercised ; and

Cisco's board of directors or one of its committees will succeed to the authority of our board of directors or our compensation committee with respect to administration of these rollover options under each of our stock incentive plans.

The merger will not terminate any rollover options. The vesting of rollover options granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number of shares subject to such awards upon the closing of the merger, other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers in connection with their employment agreements with Cisco (whose awards will not automatically accelerate in connection with the merger). The specific amount of acceleration is set forth in the individual stock option agreements.

The option exchange ratio will equal \$35.00 divided by the average closing sale prices for a share of Cisco's common stock as quoted on The NASDAQ Global Select Market for the ten consecutive trading days ending with the third trading day that precedes the closing date of the merger.

At the effective time of the merger, all of our unexpired, unexercised and outstanding vested stock options granted under our 2007 Stock Incentive Plan, held by any person other than our employees and our subsidiaries employees who continue employment with Starent, Cisco, or their subsidiaries will be cancelled in the merger and converted into the right to receive a cash payment from Cisco in an amount equal to the number of shares vested under such cancelled options multiplied by \$35.00 less the applicable exercise price. Any outstanding unvested stock options granted under our 2007 Stock Incentive Plan held by such persons at the effective time of the merger will be cancelled and terminated.

Treatment of Restricted Shares and Restricted Stock Units Outstanding Under Our Stock Plans

At the effective time of the merger, shares of our outstanding common stock that are restricted, not fully vested or subject to repurchase rights will be converted into unvested cash merger consideration that will remain subject to the same restrictions, vesting arrangements and repurchase rights following the effective time of the merger. This unvested cash merger consideration payable upon conversion of such restricted shares of common stock in the merger will be paid to the holder of such shares if and only to the extent the holder satisfies the vesting terms or other restrictions.

At the effective time of the merger, all of our outstanding restricted stock unit awards, whether vested or unvested, held by our employees and our subsidiaries employees who continue employment with the surviving

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corporation or any of its subsidiaries or become employed by Cisco or its subsidiaries at that time (collectively, rollover RSUs) will be assumed by Cisco with the same terms and conditions (including vesting) except that:

rollover RSUs will be for that number of whole shares of Cisco's common stock equal to the product (rounded down to the next whole number of shares of Cisco common stock, with no cash being payable for any fractional share eliminated by such rounding) of the number of shares of our common stock that were issuable under such rollover RSU immediately prior to the effective time of the merger and the option exchange ratio; and

Cisco's board of directors (or one of its committees) will succeed to the authority of our board of directors or our compensation committee with respect to administration of the rollover RSUs under our stock incentive plans.

The merger will not terminate any of the outstanding rollover RSUs or accelerate the vesting of such rollover RSUs or the shares of Cisco common stock which will be subject to those rollover RSUs upon Cisco's assumption of the rollover RSUs in the merger. The vesting of restricted shares granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number of shares subject to such awards upon the closing of the merger, other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers in connection with their employment agreements with Cisco (whose awards will not automatically accelerate in connection with the merger). The specific amount of acceleration is set forth in the individual restricted stock agreements. There are no outstanding restricted stock units that were granted under our 2000 Stock Incentive Plan.

At the effective time of the merger, all outstanding restricted stock units under our 2007 Stock Incentive Plan held by any person other than our employees and our subsidiaries' employees who continue employment with Starent, Cisco, or their subsidiaries and that have not yet settled will be cancelled and terminated.

Withholding Rights

The cash otherwise payable to holders pursuant to the merger agreement will be reduced by such amounts as Starent, Cisco or the exchange agent is required to deduct and withhold under the Code or any other applicable state, local, provincial or foreign tax law. Such withheld amounts will be treated for all purposes of this merger agreement as having been paid to the holders in respect of which such deduction and withholding was made.

Representations and Warranties

We made a number of representations and warranties to Cisco and merger sub relating to, among other things:

our corporate organization, subsidiaries and similar corporate matters;

our capital structure;

the authorization, execution, delivery and enforceability of, and required consents, approvals, orders and authorizations of, and filings with, governmental authorities relating to, the merger agreement and related matters with respect to us;

documents and financial statements that we have filed with the SEC since our initial public offering, lack of undisclosed liabilities, our compliance with the Sarbanes-Oxley Act of 2002 and other matters with respect to our internal controls and procedures, our compliance with listing standards of The NASDAQ Global Select Market and our stock incentive grant practices;

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in each case between June 30, 2009 and October 12, 2009, the absence of: a material adverse effect on us; our entering into any agreement with regard to the acquisition, sale or transfer of any material intellectual property right or other material asset; any changes in accounting methods or practices;

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dividends or purchases of capital stock; certain changes in employee compensation, benefits and agreements and other employee-related events; incurrence or assumption of debt or other liabilities or obligations; material damage, destruction or loss to assets, property or business reasonably expected to be material to us; or commencement or settlement of material litigation;

the absence of pending or threatened litigation or governmental investigations not disclosed in reports filed with the SEC and the absence of internal investigations;

the absence of judgments or orders prohibiting or materially impairing certain business activities;

our compliance with applicable laws, judgments and permits;

title to our properties and assets;

our intellectual property;

environmental matters with respect to our operations;

tax matters with respect to us;

our employee benefit plans, our employee agreements and matters relating to the Employee Retirement Income Security Act and other applicable employee and benefits laws;

affiliate transactions;

insurance matters;

our engagement of, and payment of fees to, brokers, investment bankers and financial advisors;

our significant customers and suppliers;

contracts material to us;

our compliance with export control laws;

the receipt by our board of directors of a fairness opinion from Goldman Sachs; and

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the accuracy of information contained in, and the compliance as to form in all material respects of, this proxy statement. Most of our representations and warranties apply both to us and our subsidiaries. Our representations and warranties will expire at the effective time of the merger.

Cisco and merger sub made a number of representations and warranties to us in the merger agreement relating to, among other things:

their corporate organization and similar corporate matters;

the authorization, execution, delivery and enforceability of, and required consents, approvals, orders and authorizations of, and filings with governmental authorities relating to, the merger agreement and related matters with respect to Cisco and merger sub;

merger sub's lack of prior operating activity;

their ownership of our common stock;

the accuracy of information supplied by Cisco and merger sub in connection with this proxy statement;

having sufficient available funds for payments under the merger agreement;

the absence of any liability on us for their brokers, investment bankers and financial advisors; and

the absence of any representations or warranties by us to them other than those contained in the merger agreement. The representations and warranties of Cisco and merger sub will expire at the effective time of the merger.

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Material Adverse Effect

Several of our representations and warranties contained in the merger agreement are qualified by reference to whether the failure of such representation or warranty to be true would reasonably be expected to have a material adverse effect on us. The merger agreement provides that a material adverse effect means, when used in connection with us, any change, event, violation, inaccuracy, occurrence, circumstance or effect, (each referred to as an effect) that, individually or taken together with all other effects, and regardless of whether or not such effect constitutes a breach of the representations or warranties made by us in the merger agreement, is, or is reasonably likely to:

have a materially adverse effect on the condition (financial or otherwise), assets (including intangible assets), business, operations or results of operations of us and our subsidiaries, taken as a whole; or

materially impede or delay our ability to consummate the transactions contemplated by the merger agreement in accordance with its terms and applicable legal requirements, except, in each case, to the extent that any such effect is proximately caused by:

general economic conditions (or changes in such conditions) in the United States or any other country or region in the world, or conditions in the global economy generally (provided that such conditions or changes do not affect us disproportionately as compared to other companies that operate in our industry in such affected geography);

conditions (or changes in such conditions) in the securities markets, credit markets, currency markets or other financial markets in the United States or any other country or region in the world (provided that such conditions or changes do not affect us disproportionately as compared to other companies that operate in our industry in such affected geography);

conditions (or changes in such conditions) in the industry in which we and our subsidiaries conduct business (provided that such conditions or changes do not affect us disproportionately as compared to other companies that operate in our industry);

political conditions (or changes in such conditions) in the United States or any other country or region in the world or acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the United States or any other country or region in the world (provided that such conditions, changes or acts do not affect us disproportionately as compared to other companies in our industry in such affected geography);

earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, weather conditions and other force majeure events in the United States or any other country or region in the world (p