



January 17, 2014

Brocade Divests Network Adapter Business to Underscore Strategic Focus on Core Data Center Networking Businesses

Brocade and QLogic to Collaborate on Strengthening Fibre Channel SAN Ecosystem

SAN JOSE, CA -- (Marketwired) -- 01/17/14 -- Brocade (NASDAQ: BRCD) today announced the sale of its network adapter business to QLogic, as part of its stated business strategy to focus on meeting the data center networking needs of customers through next-generation fabrics and software defined networking -- the two critical building blocks for modern data centers. As part of this transaction, Brocade and QLogic have committed to work together closely to affirm their commitment to the storage area networking industry, collaborate on the development of the next generation Gen 6 Fibre Channel technology, and strengthen the Fibre Channel vendor ecosystem for the benefit of mutual customers.

Brocade and QLogic did not disclose the financial terms of the sale, citing non-materiality for either company's business. This divestiture includes the entire Brocade network adapter product portfolio:

- Brocade 1860 Fabric Adapters
- Brocade 815/825 and 415/425 Fibre Channel Host Bus Adapters, or HBAs
- Brocade 1010/1020 Converged Network Adapters, or CNAs
- HBA and CNA mezzanine adapters for select OEM partners

"This transaction continues the execution of our business strategy, which will further enable Brocade to focus on core networking technologies in the data center in order to better serve our customers and partners and to drive better value for our shareholders," said Ken Cheng, chief technology officer and vice president of Corporate Development and Emerging Business at Brocade. "This transaction also benefits our customers through the two companies firmly committing to the success of the current Gen 5 Fibre Channel technology as well as Gen 6 technology, which is now in development."

Brocade had included the expected impact of this transaction in the two-year non-GAAP financial model presented at its September 2013 Analyst Day and will provide an update during its Q1 FY14 earnings call in February.

Cautionary Statement

This press release contains statements that are forward-looking in nature, including statements regarding Brocade's strategy, business prospects, organizational and business alignment, and profitability. These statements are based on current expectations on the date of this press release and involve a number of risks and uncertainties which may cause actual results to differ significantly from such estimates. The risks include, but are not limited to, changes in IT spending levels in one or more of our target markets including the data center, Federal government and service provider sectors, customer acceptance of Brocade's Ethernet fabric solutions, Brocade's ability to continue to successfully innovate new products and services on a timely basis and achieve widespread market acceptance, and the effect of increasing market competition and changes in the industry. Certain of these and other risks are set forth in more detail in "Item 1A. Risk Factors" in Brocade's Annual Report on Form 10-K for the fiscal year ended October 26, 2013. Brocade does not assume any obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise.

About Brocade

Brocade (NASDAQ: BRCD) networking solutions help the world's leading organizations transition smoothly to a world where applications and information reside anywhere. (www.brocade.com)

© 2014 Brocade Communications Systems, Inc. All Rights Reserved.

ADX, AnyIO, Brocade, Brocade Assurance, the B-wing symbol, DCX, Fabric OS, ICX, MLX, MyBrocade, OpenScript, SAN Health, VCS, VDX, and Vyatta are registered trademarks, and HyperEdge, NET Health, The Effortless Network, and The On-Demand Data Center are trademarks of Brocade Communications Systems, Inc., in the United States and/or in other countries. Other brands, products, or service names mentioned may be trademarks of their respective owners.

CONTACTS

Brocade Media Relations
John Noh
Tel: 408.333.5108

jnoh@brocade.com

Brocade Investor Relations

Ben Jones

Tel: 408.333.6601

bjones@brocade.com

Source: Brocade

News Provided by Acquire Media