BROCADE

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Brocade Acquires Vyatta, a Pioneer and Leader in Software Networking

Brocade on Track to Deliver on an End-to-End Network Virtualization Architecture for SDN, Cloud Computing and Virtualized Data Centers

SAN JOSE, CA -- (Marketwire) -- 11/05/12 -- Brocade (NASDAQ: BRCD) today announced that it will acquire privately held Vyatta in an all-cash transaction. Vyatta is based in Belmont, Calif. and is a networking industry innovator through its software-based network operating system that is highly relevant for multiple applications in network virtualization, software-defined networking (SDN) and private/public cloud computing platforms.

Brocade expects to close the acquisition by the end of the calendar year.

"This acquisition complements our R&D investments in Ethernet fabrics and SDN, as well as our broad industry and solutions-level partnerships that enable Brocade to pursue new market opportunities in data center virtualization, public cloud, enterprise virtual private cloud, and managed services," said Mike Klayko, CEO of Brocade. "We are now bolstering these 'build and partner' efforts with this strategic acquisition with the goal of being the innovation and thought leader in the software networking category."

Vyatta is shipping products today and is developing a next-generation, on-demand network OS that delivers advanced routing, security and VPN functionality for physical, virtual and cloud networking environments. Vyatta pioneered and created the industry's first and only platform-independent network operating system, the Vyatta Network OS. This OS enables system architects to secure and connect virtual, cloud or physical infrastructures while delivering the same elasticity, mobility, auto-provisioning and utility licensing benefits of the applications they support.

Brocade plans to utilize Vyatta technology and expertise with the goal of offering its customers an end-to-end architecture built on a highly virtualized, dynamic network infrastructure. This virtualized data center infrastructure promises to make both service providers and enterprises more agile through accelerated deployment and reduced development cycles in their networks. It also enables Brocade to extend its open data center fabric and IP networking technologies directly into any number of server hypervisor environments that gives customers the utmost choice and flexibility in selecting the right solution for their business needs.

"There are many significant developments happening today that are redefining data center architectures and industry landscapes," said Ken Cheng, vice president of the Routing, Application Delivery and Software Networking Group at Brocade. "The Vyatta acquisition brings in considerably more software networking technology and expertise to Brocade. We believe software networking to be a critical component in the next phase of network virtualization as enterprises are becoming increasingly virtualized and actively moving workloads to the cloud."

Following the close of the acquisition, Vyatta will be merged into Software Networking Business unit reporting into Ken Cheng.

"Brocade and Vyatta share the philosophy that open solutions and dynamic, agile networks are the best paths for customers to evolve their data center architectures to meet their business goals," said Kelly Herrell, CEO of Vyatta. "I am excited about Vyatta joining forces with Brocade as we now have the opportunity to more fully deliver on our value proposition with a broader set of customers as a trusted data center and networking solutions provider."

More Resources

- Website: www.brocade.com/softwarenetworking
- Blog: blogs.brocade.com/era-of-software-networking

Cautionary Statement
This press release contains statements that are forward-looking in nature, including statements regarding Brocade's anticipated time of closing of the acquisition and its target operating model. 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, uncertainty relating to the closing conditions in the merger agreement, changes in IT spending levels in one or more of our target markets including the government sector, Brocade's ability to capitalize on new Brocade sales and marketing initiatives, including expanded go-to-market activities in our

Ethernet business, 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 our Form 10-Q for the fiscal quarter ended July 28, 2012 and in "Item 1A. Risk Factors" in Brocade's Annual Report on Form 10-K for the fiscal year ended October 29, 2011. 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)

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