



January 2, 2013

## **Mellanox Technologies, Ltd. Updates Fourth Quarter 2012 Financial Outlook**

Schedules Release of Q4 2012 Financial Results and Conference Call for January 23, 2013

SUNNYVALE, Calif. & YOKNEAM, Israel--(BUSINESS WIRE)-- Mellanox® Technologies, Ltd. (NASDAQ: MLNX) (TASE: MLNX), a leading supplier of high-performance, end-to-end interconnect solutions for data center servers and storage systems, today announced that its fourth quarter revenue is projected to be in the range of \$119 million to \$121 million, below the company's previous guidance of \$145 million to \$150 million, bringing 2012 annual revenue to approximately \$500 million, up from \$259 million in 2011. The shortfall is primarily the result of a weaker demand environment, challenging macroeconomic conditions, and a technical issue associated with FDR 56Gb/s InfiniBand cabling which caused approximately \$20 million of FDR deployments to be delayed. The cabling issue has been resolved and is not expected to impact revenue in the future.

The company continues to expect its fourth quarter 2012 non-GAAP gross margin to be in the range of 68.5 to 69.5 percent and a quarter-over-quarter sequential increase in non-GAAP operating expenses of six to eight percent.

Mellanox is scheduled to present at the 15<sup>th</sup> Annual Needham Growth Conference on January 17, 2013 at 1:30 p.m. Eastern Time. A webcast of the live event as well as a replay will be available on the company's investor relations website at <http://ir.mellanox.com>.

Mellanox plans to conduct a conference call on Wednesday, January 23, 2013 at 2 p.m. Pacific Time to discuss the company's fourth quarter 2012 financial results. To listen to the call, dial +1-785-424-1834 approximately 10 minutes prior to the start time.

Mellanox also plans to conduct a conference call on Thursday, January 24, 2013 at 9 a.m. Israel Time to discuss the company's fourth quarter 2012 financial results in Hebrew. To listen to the call, dial +972-3-9180609 approximately 10 minutes prior to the start of the call.

Both of the Mellanox financial results conference calls will be available via live webcasts on the investor relations section of the Mellanox website at <http://ir.mellanox.com>. Access the webcast 15 minutes prior to the start of the call to download and install any necessary audio software. Replays of the webcasts will also be available on the Mellanox website.

### **About Mellanox**

Mellanox Technologies is a leading supplier of end-to-end InfiniBand and Ethernet interconnect solutions and services for servers and storage. Mellanox interconnect solutions increase data center efficiency by providing the highest throughput and lowest latency, delivering data faster to applications and unlocking system performance capability. Mellanox offers a choice of fast interconnect products: adapters, switches, software and silicon that accelerate application runtime and maximize business results for a wide range of markets including high performance computing, enterprise data centers, Web 2.0, cloud, storage and financial services. More information is available at [www.mellanox.com](http://www.mellanox.com).

### **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:**

All statements included or incorporated by reference in this release, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry and business, management's beliefs and certain assumptions made by us, all of which are subject to change.

Forward-looking statements can often be identified by words such as "projects," "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions and variations or negatives of these words. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement.

The risks and uncertainties that could cause our results to differ materially from those expressed or implied by such forward-looking statements include the continued expansion of our product line, customer base and the total available market of our products, the continued growth in demand for our products, the continued, increased demand for industry standards-based

technology, our ability to react to trends and challenges in our business and the markets in which we operate, our ability to anticipate market needs or develop new or enhanced products to meet those needs, the adoption rate of our products, our ability to establish and maintain successful relationships with our OEM partners, our ability to effectively compete in our industry, fluctuations in demand, sales cycles and prices for our products and services, including limited visibility into product inventory levels held by our customers, our success converting design wins to revenue-generating product shipments, the continued launch and volume ramp of Intel Romley and Sandy Bridge-based server and storage platforms, and our ability to protect our intellectual property rights. Furthermore, the majority of our quarterly revenues are derived from customer orders received and fulfilled in the same quarterly period and we have limited visibility into actual end-user demand in any given quarter; consequently, this introduces risk and uncertainty into our revenue and production forecasts and business planning and could negatively impact our financial results. In addition, current uncertainty in the global economic environment poses a risk to the overall economy as businesses may defer purchases in response to tighter credit conditions, changing overall demand for our products, and negative financial news. Consequently, our results could differ materially from our prior results due to these general economic and market conditions, political events and other risks and uncertainties described more fully in our documents filed with or furnished to the Securities and Exchange Commission.

More information about the risks, uncertainties and assumptions that may impact our business is set forth in our form 10-Q filed with the SEC on November 2, 2012, and our form 10-K filed with the SEC on February 28, 2012. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we assume no obligation to update these forward-looking statements.

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**Mellanox Technologies, Ltd.**

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Source: Mellanox Technologies, Ltd.

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