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Red Hat Signs Definitive Agreement to Acquire ManageIQ

ManageIQ's Enterprise Cloud Management and Automation Technologies Extend the Reach of Red Hat's Open Hybrid Cloud Solutions

RALEIGH, N.C.--(BUSINESS WIRE)-- Red Hat, Inc. (NYSE: RHT), the world's leading provider of open source solutions, today announced that it has entered into a definitive agreement to acquire ManageIQ, a leading provider of enterprise cloud management and automation solutions that enable organizations to deploy, manage and optimize private clouds, virtualized infrastructures and virtual desktops. With the addition of ManageIQ technologies to its portfolio, Red Hat will expand the reach of its hybrid cloud management solutions for enterprises.

Red Hat has agreed to acquire ManageIQ, a privately-held company, for approximately \$104.0 million in cash. The closing of the transaction is subject to customary closing conditions, including approval by the stockholders of ManageIQ.

As an existing member of the [Red Hat Enterprise Virtualization Certified Partner](#) program, ManageIQ has worked closely with Red Hat to provide customers with unified monitoring, management and automation solutions that are quick-to-deploy and easy-to-use, which reduce the cost and complexity of enterprise clouds. ManageIQ's Hybrid Cloud Operations Management technologies complement Red Hat's existing cloud and virtualization management tools — [Red Hat CloudForms](#) and [Red Hat Enterprise Virtualization](#) — by providing integrated lifecycle management of activities such as server and storage provisioning, workload optimization, policy-based compliance, chargeback, virtual machine lifecycle management, discovery and control, and analytics across heterogeneous private clouds and virtualized datacenters.

With the addition of ManageIQ, Red Hat's open hybrid cloud management solutions will include:

- **Red Hat CloudForms:** a hybrid cloud Infrastructure-as-a-Service (IaaS) solution that enables the management, brokering and aggregation of capacity across various virtualization and cloud providers as well as the management of applications across hybrid clouds.
- **Red Hat Enterprise Virtualization:** a comprehensive virtualization management solution that is an ideal virtualization substrate for organizations to build cloud environments in terms of performance, security and value.
- **ManageIQ's Hybrid Cloud Operations Management Tools:** a cloud operations management solution that provides enterprises operational management tools including monitoring, chargeback, governance and orchestration across virtual and cloud infrastructure such as Red Hat Enterprise Virtualization, Amazon Web Services, Microsoft and VMware.

The acquisition is expected to have no material impact to Red Hat's revenue for its fiscal year ending Feb. 28, 2013. Management expects that operating expenses (excluding the impact of stock-based compensation and the amortization of acquisition-related intangible assets) will increase by approximately \$2 million per quarter as a result of the transaction, and stock-based compensation and amortization expense will increase by approximately \$2 million per quarter.

Supporting Quotes

Paul Cormier, president, Products and Technologies, Red Hat

"Industry and customer response to Red Hat's vision for the open hybrid cloud has been overwhelmingly positive because it offers the best of both worlds: the ability to tap into the public cloud when and where it makes sense, while leveraging existing investments for cloud infrastructure. For enterprise cloud initiatives, effective cloud management is critical. ManageIQ offers robust features, including orchestration, policy, workflow, monitoring and chargeback, that deepen Red Hat's cloud management capabilities and bring the promise of open hybrid cloud a step closer for the industry."

Joe Fitzgerald, Chief Product Officer and co-founder, ManageIQ

"We are very excited to be joining Red Hat. Our strong virtual and cloud management solutions, highly differentiated technology and experienced team are a perfect fit with Red Hat. We share a common vision of cost-effective, open and automated deployment and management of enterprise IT cloud resources."

About Red Hat, Inc.

Red Hat is the world's leading provider of open source software solutions, using a community-powered approach to reliable and high-performing cloud, Linux, middleware, storage and virtualization technologies. Red Hat also offers award-winning support, training, and consulting services. As the connective hub in a global network of enterprises, partners, and open source communities, Red Hat helps create relevant, innovative technologies that liberate resources for growth and prepare customers for the future of IT. Learn more at <http://www.redhat.com>.

About ManageIQ

Headquartered in Mahwah, New Jersey, ManageIQ provides comprehensive and scalable enterprise cloud management solutions, with unified monitoring, management and automation capabilities that are quick-to-deploy and easy-to-use, reducing the cost and complexity of managing virtualization and cloud computing environments.

These solutions, built on our unique Adaptive Management Platform™ are designed specifically for management and automation of virtualized infrastructures, desktops and clouds---providing single-pane of glass visibility, policy-based control and closed-loop automation.

Forward-Looking Statements

Certain statements contained in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: risks related to delays or reductions in information technology spending; the effects of industry consolidation; the ability of the Company to compete effectively; uncertainty and adverse results in litigation and related settlements; the integration of acquisitions and the ability to market successfully acquired technologies and products; the inability to adequately protect Company intellectual property and the potential for infringement or breach of license claims of or relating to third party intellectual property; the ability to deliver and stimulate demand for new products and technological innovations on a timely basis; risks related to data and information security vulnerabilities; ineffective management of, and control over, the Company's growth and international operations; fluctuations in exchange rates; and changes in and a dependence on key personnel, as well as other factors contained in our most recent Quarterly Report on Form 10-Q (copies of which may be accessed through the Securities and Exchange Commission's website at <http://www.sec.gov>), including those found therein under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." In addition to these factors, actual future performance, outcomes, and results may differ materially because of more general factors including (without limitation) general industry and market conditions and growth rates, economic and political conditions, governmental and public policy changes and the impact of natural disasters such as earthquakes and floods. The forward-looking statements included in this press release represent the Company's views as of the date of this press release and these views could change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this press release.

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