IBM to Acquire BLADE Network Technologies

IBM

ARMONK, N.Y. - 27 Sep 2010: IBM (NYSE: IBM [1]) today announced it has entered into a definitive agreement to acquire BLADE Network Technologies (BLADE), a privately held company based in Santa Clara, CA. BLADE specializes in software and devices that route data and transactions to and from servers. The acquisition is anticipated to close in the fourth quarter of 2010, subject to the satisfaction of customary closing conditions and applicable regulatory reviews. Financial terms were not disclosed.

BLADE provides blade server and top-of-rack switches as well as software to virtualize and manage cloud computing and other workloads. Customers include more than half of the companies on the Fortune 500 list across 26 industry verticals, including automotive, telecom services, education, government, healthcare, defense and finance. IBM and BLADE have worked together since 2002, resulting in thousands of joint clients. In fact, over 50 percent of IBM System x BladeCenters currently attach to or use BLADE products (1).

The BLADE acquisition builds on the industry-leading capabilities and technologies IBM is applying to its systems, which are optimized to help clients manage a range of new, more demanding workloads. This year, IBM introduced a full line-up of new, workload-optimized systems that incorporate innovation at each level -- from microprocessors and firmware software to middleware and hardware. With BLADE, IBM can drive innovation at the systems networking level to enable clients to speed the delivery of key information from system to system -- for workloads such as analytics and cloud computing -- while also reducing data center costs.

Emerging business models from smart grids to smart traffic systems are infusing intelligence into every day processes, generating a torrent of information. Business decisions require rapid access to that information. BLADE's proven, industry-tested switches and software are designed to improve systems performance for faster delivery of information, optimize virtual environments and lower energy use.

Over the past 18 months, IBM has expanded its core networking business through relationships with leading networking companies. IBM plans to continue providing clients a choice in core networking solutions through these important, ongoing relationships while using BLADE's industry standard-based system networking technology to create systems that are efficient, easy to manage and simple to deploy. Today, networks are made up of different layers, each one designed to pass information up and down to the next layer as data is processed. BLADE's switches will be brought closer to IBM systems and then pass information to the core networking layer, optimizing systems performance.

"BLADE will help IBM better integrate networks with its systems, optimizing them for workloads that require high-speed and low-latency performance such as cloud computing and business analytics. For example, faster data transport enables faster decisions important for analytics workloads," said Brian Truskowski, General Manager, IBM System Storage and Networking. "BLADE will increase IBM's System Networking development, sales, support, skills and awareness and help IBM build smarter systems that are optimized for client requirements."

BLADE provides software that helps address the massive virtualization requirements of cloud computing environments. BLADE software allows servers to more closely integrate with the network so that clients can deploy thousands of virtual machines to run large application workloads in the cloud and reduce complexity through simplified management.

"BLADE views this as a great opportunity to continue working with the ecosystem of technology providers that have helped make our company successful while allowing our technology to become a more central part of the data center," said Vikram Mehta, CEO of BLADE. "Our very talented and hard working people are focused on building innovative system networking solutions, making BLADE an ideal fit to help IBM execute on its strategy to build smarter systems that deliver more value to clients around the world."

About BLADE Network Technologies

BLADE Network Technologies (BLADE), the data center switching company, brings speed and intelligence to the edge of the network -- closer to customers' business, users and innovations. With 9 million ports installed, BLADE's lossless, low-latency, and low-power RackSwitch™ and blade switches connect physical and virtual servers, storage and networks in the world's largest data centers. BLADE's award-winning, high-performance Ethernet switches and VMready™ virtualization-aware networking are designed to handle dynamic demands at the network edge for private and public clouds, financial services, Web 2.0 and HPC applications. BLADE's Unified Fabric Architecture™ is a fast, virtual, proven and interoperable converged fabric for Ethernet Everywhere. Visit: www.bladenetwork.net [2]. Twitter: @BLADENetwork.

About IBM

For more information on IBM, visit www.ibm.com [3].

(1) Based on IBM sales data.

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