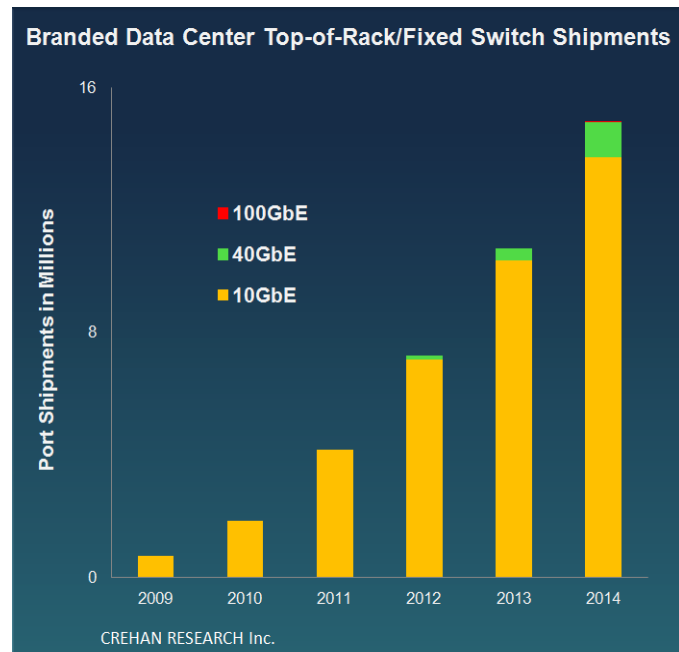


Another Year of Robust Growth and Record Shipments for Branded Data Center Switches, Reports Crehan Research

Despite White Box Offerings, 2014 Branded Switch Growth Exceeds That of 2013

SAN FRANCISCO, CA, March 2, 2015 — Branded data center Ethernet switches experienced another year of robust shipment growth for the full calendar year 2014, according to the most recent data center switch report from [Crehan Research Inc.](#) The report shows that customer deployments of branded data center Ethernet switches grew ten percent in 2014, a slight increase over the 2013 growth rate, despite an increase in white box switch offerings. Crehan's report further shows that branded Ethernet switch shipments in the high-speed top-of-rack, or fixed, segment – where white box switch offerings are most prevalent – increased by almost 40% in 2014 (see accompanying chart).

“Most of the white box and ODM-direct switch market volume is still driven by a few of the very large, hyper-scale cloud service providers, and its growth has remained largely a function of these few service providers building out their data center networks,” said Seamus Crehan, president of Crehan Research. “Over the past



few years, the branded data center switch vendors have really narrowed the gap on the perceived advantages of white box switches," he said. "Although it varies by vendor, this has included lowering prices significantly, incorporation of more merchant silicon, offering more programmability and SDN features, disaggregation of hardware and software, and bringing open compute and networking designs to market."

Besides the continued robust growth in branded data center Ethernet switching, notable 2014 results from Crehan's report include:

- 40 gigabit Ethernet (GbE) data center switch shipments more than tripled, while revenues more than doubled.

CREHAN RESEARCH Inc.

data center networking: statistics analysis insights

- 10GBASE-T data center switching rapidly expanded in 2014, exiting the year with an annual run rate of over two million ports.
- Despite steep price declines in some of the individual data center Ethernet switch segments, overall market pricing remained relatively stable in 2014 due to greater adoption of higher-speed switches, which carry a price premium.
- The Fibre Channel switch market returned to revenue growth in 2014, as higher average selling prices more than offset a slight annual shipment decline.

In its mid-2014 long-range forecast report, [Crehan Research forecast stable overall market pricing in data center switches as a result of a strong migration to higher-speed switches](#). While this played out for the full-year 2014, Crehan says the pricing environment going forward may become more competitive.

About Crehan Research Inc.

Crehan Research Inc. produces reports with very detailed statistics and information on the data center switch and server-class adapter & LOM/controller markets. The company's reports are supported with rich insights and context to deliver increased value. For more information about Crehan Research Inc. email info@CrehanResearch.com, phone 650-273-8400, or visit www.CrehanResearch.com.

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