



**NOT TO BE REPRODUCED OR DISTRIBUTED
WITHOUT PRIOR APPROVAL FROM EMULEX
CORPORATION**

01/00

**THIS PRESENTATION IS CONSIDERED
INCOMPLETE WITHOUT ACCOMPANYING
MANAGEMENT DISCUSSION**

Emulex Introduction

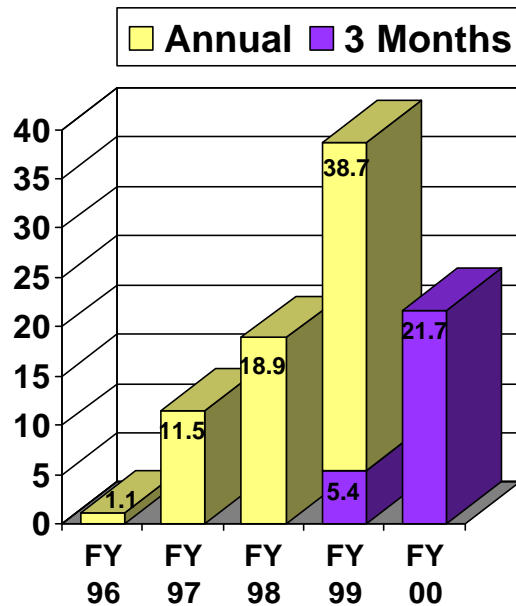


- **Leading player in rapidly accelerating fibre channel industry**
 - Major new growth sector for storage and networking industries
 - Broad line of host bus adapters and hubs
 - Now 75% of revenue and expanding
 - Shift towards higher growth, higher margin fibre channel products

Fibre Channel Momentum Underway

Emulex Fibre Channel Revenues

\$ Millions



Growth	912%	64%	104%
--------	------	-----	------

Fiscal Year Ends June

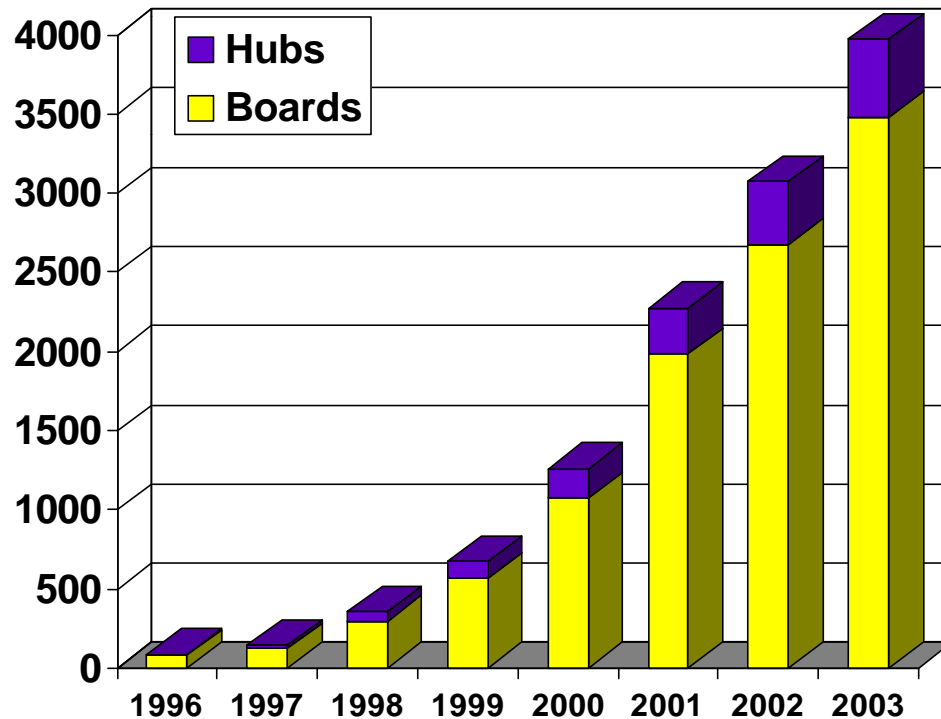
Emulex Leadership Position:

- #1 provider of host bus adapters
- Largest OEM installed base
- In-house ASIC designs support broadest FC technology suite
- Sole supplier of both hubs & adapters



Fibre Channel Market

Worldwide Fibre Channel Forecast
\$ Millions

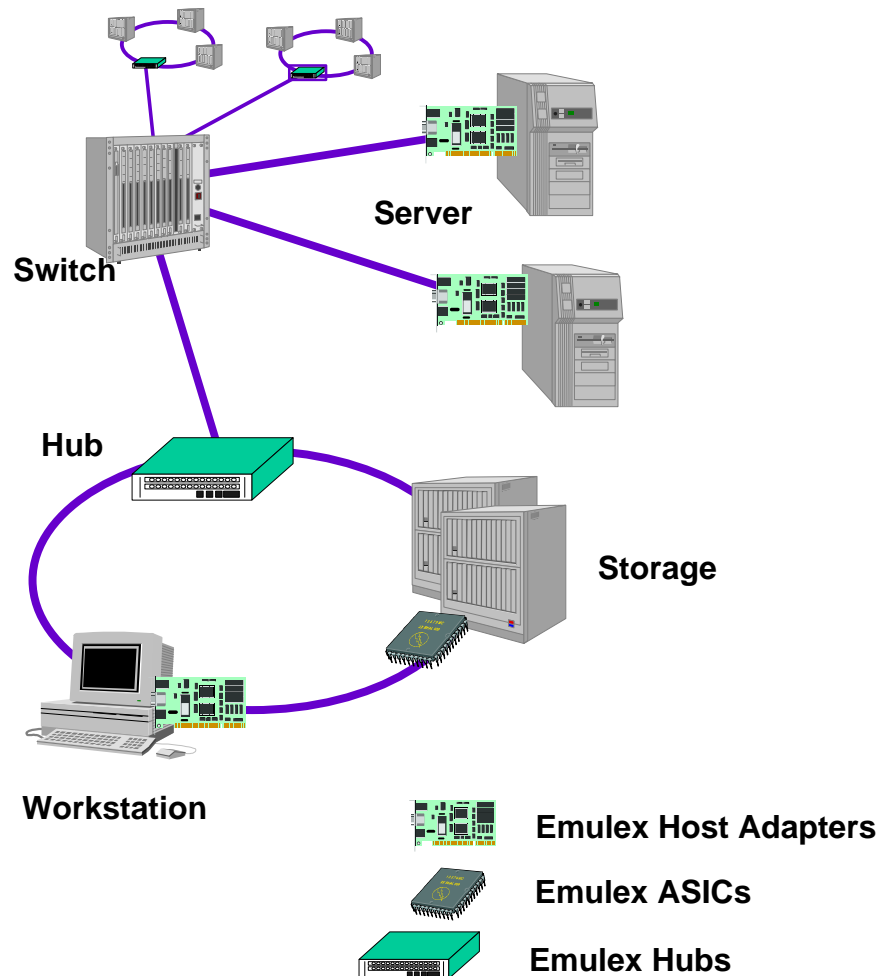


Source: emf Associates, Fibre Channel 2000

- High growth, multi-billion dollar market opportunity:

- ◆ CAGR = 62%
- ◆ Broad server and storage commitment
- ◆ Applications such as SAN & Clustering now emerging

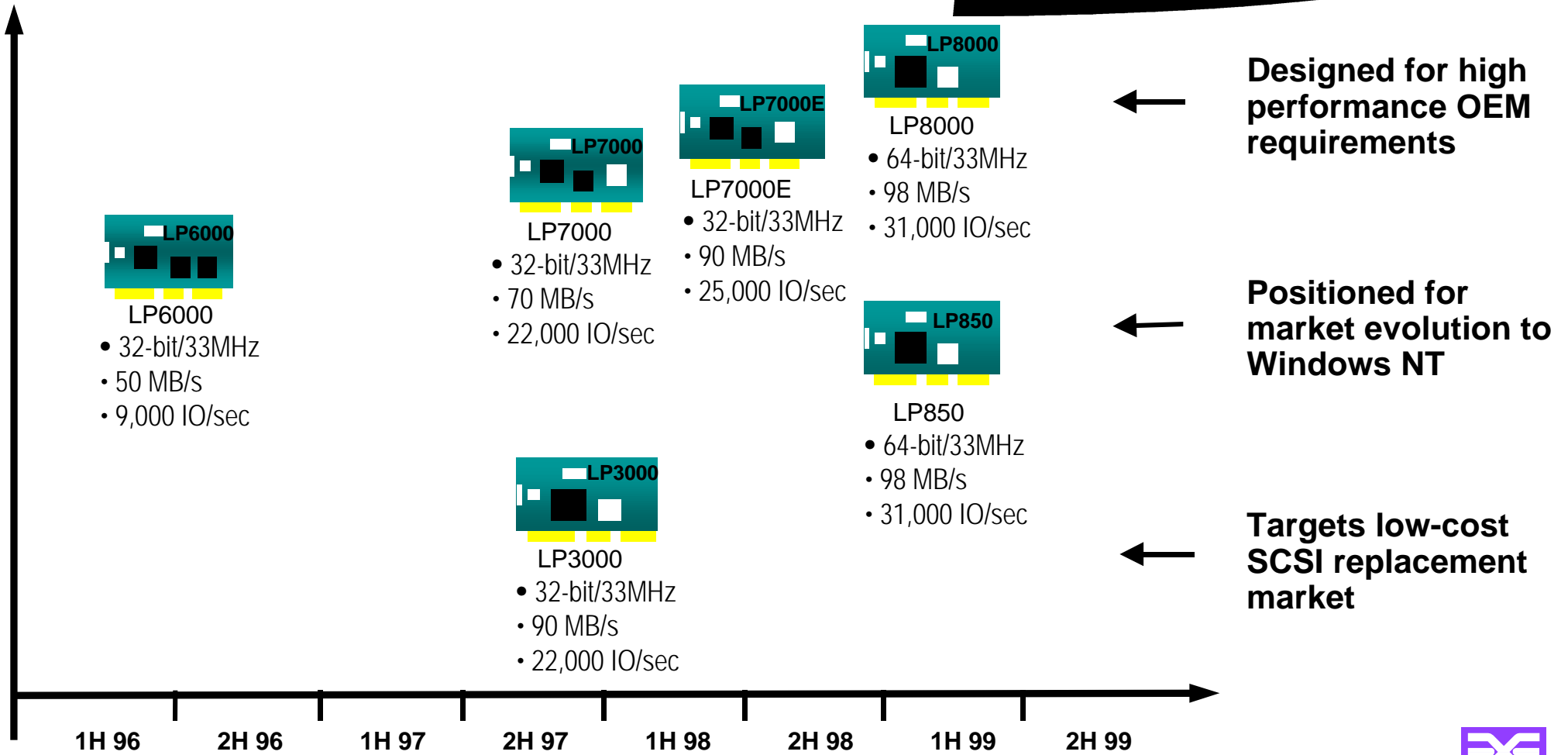
Emulex's Fibre Channel Solution



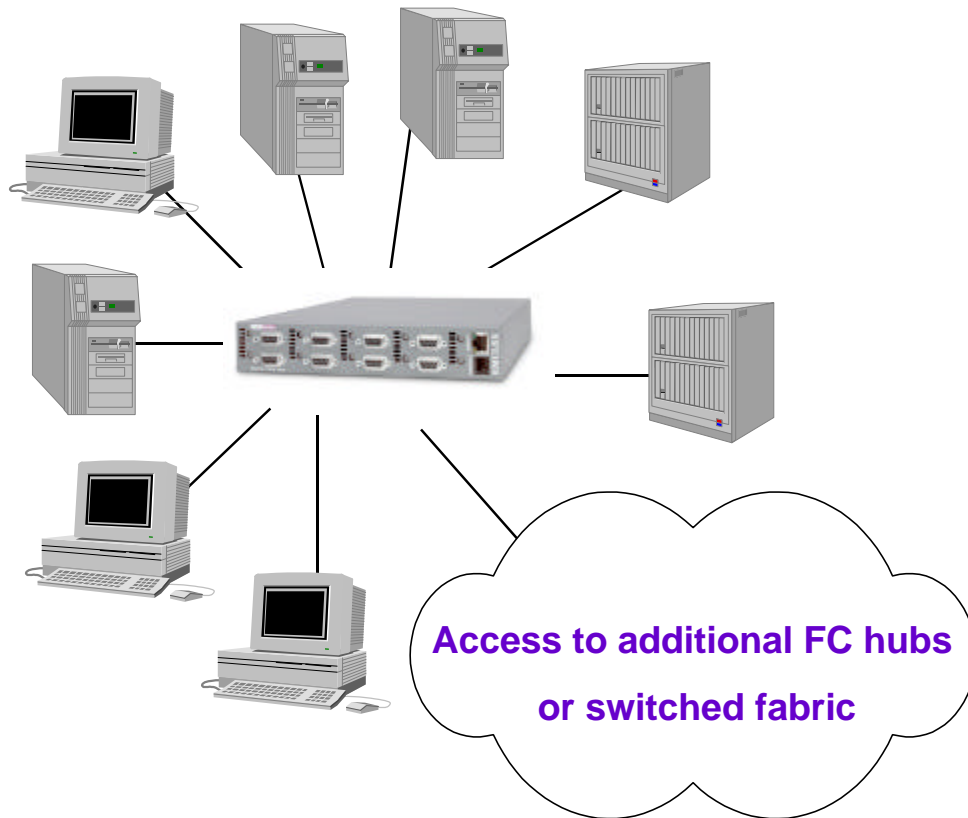
Meeting Customer Requirements:

- **Reliability**
 - Field-proven products & applications since 1996
 - Unique digital re-timing hub
- **Scalability**
 - Support for all FC topologies & multiple classes of service
 - Supports widest array of cabling options
- **Performance**
 - Full duplex throughput of 150 MB/sec
 - Over 31,000 IOPS
- **Customization**
 - SLI interface allows OEM product differentiation & preserves software investment

Our Fibre Channel Host Adapter Evolution



Our Fibre Channel Hubs



■ World's first digital hub:

- ◆ Traditional analog hubs passively amplify signals
- ◆ Digital hub captures & regenerates signal

■ Key benefits:

- ◆ Increased reliability
- ◆ Improved network management
- ◆ Smallest 10-port footprint in the industry

Strategic OEM Relationships

1998 Worldwide Revenue

<u>Servers</u>		Emulex	<u>Storage</u>		Emulex
	<u>Share (%)</u>	<u>Design Win</u>		<u>Share (%)</u>	<u>Design Win</u>
IBM	25.2		Compaq	21.0	
Compaq	12.8		IBM	13.9	
Hewlett-Packard	12.7		EMC	12.7	
Sun	9.9		Sun	7.8	
Fujitsu	9.6		Hewlett-Packard	7.7	
Hitachi	3.9		Hitachi	4.5	
NEC	3.7		Fujitsu	3.7	
Dell	2.9		Dell	3.2	
SGI	1.5		NEC	3.1	
NCR	1.5		NCR	1.8	
Data General	0.9		Data General	0.9	
Unisys	0.8		SGI	0.8	
Sequent	0.7		Groupe Bull	0.8	
Groupe Bull	0.7		Network Appliance	0.7	
Comparex	0.3		Comparex	0.6	

73% of server vendors

67% of storage vendors

Source: IDC



Competitive Landscape: Fibre Channel Host Bus Adapters

Feature	Description	Emulex LP8000/850	HP HHBA-5100A	JNI JNI-6400	QLogic QLA2200
Core ASIC Technology	Host adapter engine				
Arbitrated Loop	Basic topology				
Full Duplex	Data in both directions (200MB/s total)				
Fabric Support	Compatible with switched SANs				
Class 2 & 3 Support	Popular protocol options				
Support for SCSI & IP	Enables both storage and network apps.				
FICON	Next generation ESCON protocol				
Physical I/F Options	Flexible cabling options	Cu/SW/LW	Cu/SW	Cu	Cu/SW
On-Board Context	Improved BUS/Link efficiency (performance)	2K/1K	<16	<16	<16
IOPS (IOMeter)	Key server performance metric	~31,000	~31,000	~15,000	~15,000

Competitive Landscape: Fibre Channel Hubs

Feature	Description	Emulex LH5000	Gadzoox Gibralter	Vixel 2000
Core Technology	Digital vs. Analog	Digital	Analog	Analog
Number of Ports	Number of devices supported	10	6 or 12	12
Port Density	Max number of ports per rack width	20	12	12
Number of Loops	Flexible user configurations	1 or 2	1	1
Physical I/F Options	Flexible cabling options	GBIC/Copper	GBIC	GBIC
Management	Enables network support	Standard	Optional	Optional
Retiming	Improved signal quality	(Fully)	(Partial)	
Protocol Validation	Improved system availability			
Host Adapter NL-Port	Provides intelligence at the port level			
Web Browser	SAN Management in any user environment			

Our Market Leadership Strategy

- Focus on high-growth fibre channel market opportunity
- Strengthen and broaden OEM relationships
- Leverage strategic alliances
- Expand revenue base through emerging distribution/VAR channel