

# Red Hat to Acquire Inktank, Provider of Ceph

APR 30, 2014

*Open source leaders unite to accelerate adoption of open software-defined storage for enterprises and service providers*

*Addition of Inktank positions Red Hat as leading provider of open software-defined storage across object, block, and file system storage*

RALEIGH, N.C.--(BUSINESS WIRE)-- Red Hat, Inc. (NYSE: RHT), the world's leading provider of open source solutions, today announced that it has signed a definitive agreement to acquire Inktank, a leading provider of scale-out, open source storage systems. Inktank's flagship technology, Inktank Ceph Enterprise, delivers world class object and block storage software to enterprises deploying public or private clouds, including many early adopters of OpenStack clouds. Combined with Red Hat's existing GlusterFS-based storage offering, the addition of Inktank positions Red Hat as the leading provider of open software-defined storage across object, block and file system storage.

In a recently-published assessment of the software-defined storage market, IDC's Ashish Nadkarni, the firm's research director for Storage Systems wrote: "Software-defined platforms will continue to grow faster than any other market segment in the file- and object-based storage market. This growth will primarily be driven by a rich and diverse set of data-intensive use cases across multiple industries and geographies."<sup>1</sup>

Founded in 2012, Inktank's main objective has been to drive the widespread adoption of Ceph, a scalable, open source, software-defined storage system that runs on commodity hardware. Ceph was developed by Inktank's founder and chief technology officer, Sage Weil, and is a replacement for legacy storage systems and provides a unified solution for cloud computing environments. Inktank's primary goal has been to help customers scale their storage to the exabyte-level and beyond in a cost-effective way. Inktank has provided customers with expertise, processes, tools and support with their enterprise subscription and service offerings. Inktank's customers include Cisco, CERN and Deutsche Telekom, and its partners include Alcatel-Lucent and Dell. The company has offices in Los Angeles and San Francisco.

Red Hat has agreed to acquire Inktank, a privately-held company, for approximately \$175 million in cash, subject to certain adjustments at closing. As part of the transaction, Red Hat will assume unvested Inktank equity outstanding on the closing date and issue certain equity retention incentives. The transaction is expected to close in May 2014, subject to customary closing conditions.

Red Hat does not anticipate that the transaction will have a material effect on its financial performance for the first quarter of its fiscal year ending February 28, 2015 ("fiscal 2015"). Red Hat is also reaffirming its fiscal 2015 guidance, provided on its March 27, 2014 earnings call, for revenue, non-GAAP operating margin, non-GAAP earnings per share and operating cash flow. Non-GAAP operating margin and EPS estimates exclude the impact of stock-based compensation and amortization of acquisition-related intangibles.

## Webcast

Brian Stevens, executive vice president and chief technology officer, Red Hat, and Sage Weil, founder and chief technology officer, Inktank, will host a webcast to discuss this announcement today, April 30, 2014, at 12 p.m. EDT. Following remarks, press and analysts are invited to participate in a live question and answer session.

To join the webcast or view the replay after the event, visit <https://vts.inxpo.com/Launch/QReg.htm?ShowKey=19716>.

## Supporting Quotes

*Sage Weil, founder and CTO, Inktank*

"With a shared commitment to open source, open standards and customer success, joining forces with Red Hat is something we are all very excited about. We believe our open storage technologies will be critical in the management of data in the coming era of cloud computing. Joining Red Hat will no doubt lead to tremendous innovation that will ultimately serve the industry well and answer the demand for open storage solutions fully integrated with existing and emerging data center architectures such as OpenStack."

*Brian Stevens, executive vice president and CTO, Red Hat*

"We're thrilled to welcome Inktank to the Red Hat family. They have built an incredibly vibrant community that will continue to be nurtured as we work together to make open the de facto choice for software-defined storage. Inktank has done a brilliant job assembling a strong ecosystem around Ceph and we look forward to expanding on this success together. The strength of these world-class open storage technologies will offer compelling capability as customers move to software-based scale-out storage systems."

## Additional Resources

Read the [FAQ](#)

Learn more about [Inktank](#)

Read a [blog from Sage Weil, founder and CTO of Inktank](#)

Learn more about [Ceph](#)

Learn more about [Red Hat Storage Server](#)

#### 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 Inktank

Inktank® is transforming storage with Ceph®, the massively scalable, open source, software-defined storage system that radically improves the economics and management of data management. Launched by leading Ceph developers, Inktank's mission is to help enterprises use Ceph to break free of expensive and proprietary storage systems to decrease their storage costs, increase their operational flexibility, and effectively manage their rapidly growing data. Inktank Ceph Enterprise™ is the market's first enterprise-grade, dedicated Ceph product offering that delivers everything needed to confidently run a production Ceph storage cluster at scale. In addition, Inktank provides best-in-class professional services and Ceph training.

#### 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; the integration of acquisitions and the ability to market successfully acquired technologies and products; uncertainty and adverse results in litigation and related settlements; 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 Annual Report on Form 10-K (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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<sup>1</sup> IDC, *IDC's Worldwide Software-Defined Storage Taxonomy, 2014*, March 2014, available at <http://www.idc.com/getdoc.jsp?containerId=247700>.

Red Hat, Inc.  
Media Contact:  
Karin Bakis, 978-392-1096  
[kbakis@redhat.com](mailto:kbakis@redhat.com)  
or  
Investor Relations:  
Tom McCallum, 919-754-4630  
[tmccallum@redhat.com](mailto:tmccallum@redhat.com)

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