

EXHIBIT A

PLAN OF ALLOCATION

1. The following Plan of Allocation is designed to fairly allocate the proceeds of the \$160,098,500 Gross Settlement Fund,¹ less all taxes, approved costs, fees and expenses (the "Net Settlement Fund"). The Net Settlement Fund shall be distributed to Class Members (or the representative of such Class Members including, without limitation, agents, administrators, executors, heirs, predecessors, successors, affiliates (as defined in 17 C.F.R. Part 210.1-02.b) and assigns) who submit a Proof of Claim in such form and manner, and within such time, as the Court shall prescribe ("Authorized Claimants").

2. This Plan of Allocation reflects the contention of the Class that because of misrepresentations and omissions about Brocade's financial condition and prospects, the price of Brocade common stock was inflated artificially during the Class Period (May 18, 2000 through and including May 15, 2005).

3. The Court has not made any finding that the Settling Defendants are liable to the Class or that the Class has suffered any compensable damages, nor has the Court made any finding that the payments allowed under this Plan of Allocation are an accurate measure of damages. If the Settlement is not approved, the Class Representatives are not bound by the Estimated Inflation amounts utilized in connection with this Plan of Allocation.

4. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim" from transactions in Brocade common stock during the entire Class Period. **The Recognized Claim formulas set forth below are not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is the Recognized Claim an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement.** The Recognized Claim formulas are the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

5. This Plan of Allocation schedule reflects the declines in the stock price of Brocade Communications Systems, Inc. during the Class Period, that Lead Plaintiffs allege are reasonably attributable to the misstatements alleged in the Amended Consolidated Class Action Complaint and adjusted to reflect the strength of those allegations and the settlement negotiations.

6. The total number of damaged shares (shares purchased on or between May 18, 2000 and May 15, 2005 and held beyond one or more of the following dates: January 6, 2005; January 24, 2005; April 27, 2005; May 15, 2005) is estimated to amount to 282 million shares. The Settlement of \$160,098,500, thus, represents an expected rate of recovery of \$0.567 per damaged share. Net of expected costs, fees and other expenses of \$0.144 per damaged share, the expected net recovery is estimated to be \$0.423 per damaged share.

7. Calculation of Recognized Claims shall be as follows:

For shares purchased on or between May 18, 2000, and May 15, 2005, inclusive, the Recognized Claim shall be calculated as follows:

- a. For shares sold on or before January 6, 2005, no Recognized Claim shall be allowed;
- b. For shares sold between January 7, 2005 and May 15, 2005, inclusive, the Recognized Claim shall be the lesser of (i) the difference between the price paid and the price received (out-of-pocket investment loss); or (ii) the artificial inflation at the date of purchase, as set forth in Table 1 below, less the artificial inflation at the date of sale, as set forth in Table 1 below;
- c. For shares held at the open of trading on May 16, 2005 but sold on or before August 12, 2005, the Recognized Claim shall be the lesser of (i) the artificial inflation at the date of purchase, as set forth in the Table 1 below; or (ii) the difference between the price per share paid and the average closing price from May 16, 2005, and the date of sale, as provided for in Table 2;

¹ Capitalized terms not otherwise defined in this Plan of Allocation shall have the same meaning ascribed to them in the Notice.

- d. For shares still held at the close of trading on August 12, 2005, the Recognized Claim shall be the lesser of (i) the artificial inflation at the date of purchase, as set forth in the Table 1 below; or (ii) the difference between the price per share paid and \$4.06.

Table 1: Dollar Inflation for Specific Dates of Purchase and Sale

Begin Date	End Date	Dollar Inflation
05/18/2000	01/06/2005	\$1.04
01/07/2005	01/24/2005	\$0.52
01/25/2005	04/27/2005	\$0.26
04/28/2005	05/15/2005	\$0.07
05/16/2005	08/12/2005	\$0.00

Table 2: Average Price Per Share for PSLRA loss limitations

Sale Date	Closing Price	Avg. Closing Price	Sale Date	Closing Price	Avg. Closing Price
05/16/2005	4.13	4.13	06/30/2005	3.88	4.02
05/17/2005	4.01	4.07	07/01/2005	3.91	4.02
05/18/2005	4.21	4.12	07/05/2005	3.90	4.01
05/19/2005	4.43	4.20	07/06/2005	3.90	4.01
05/20/2005	3.93	4.14	07/07/2005	3.90	4.01
05/23/2005	3.93	4.11	07/08/2005	4.00	4.01
05/24/2005	3.98	4.09	07/11/2005	4.00	4.01
05/25/2005	3.96	4.07	07/12/2005	4.02	4.01
05/26/2005	3.98	4.06	07/13/2005	3.99	4.01
05/27/2005	3.97	4.05	07/14/2005	3.99	4.01
05/31/2005	3.92	4.04	07/15/2005	3.98	4.01
06/01/2005	3.98	4.04	07/18/2005	3.90	4.00
06/02/2005	4.28	4.05	07/19/2005	3.96	4.00
06/03/2005	4.14	4.06	07/20/2005	3.97	4.00
06/06/2005	4.17	4.07	07/21/2005	4.13	4.00
06/07/2005	4.13	4.07	07/22/2005	4.24	4.01
06/08/2005	3.95	4.06	07/25/2005	4.38	4.02
06/09/2005	4.03	4.06	07/26/2005	4.49	4.03
06/10/2005	4.03	4.06	07/27/2005	4.36	4.03
06/13/2005	4.08	4.06	07/28/2005	4.44	4.04
06/14/2005	3.98	4.06	07/29/2005	4.48	4.05
06/15/2005	3.98	4.05	08/01/2005	4.42	4.06
06/16/2005	4.00	4.05	08/02/2005	4.49	4.06
06/17/2005	4.01	4.05	08/03/2005	3.96	4.06
06/20/2005	4.02	4.05	08/04/2005	3.96	4.06
06/21/2005	3.96	4.05	08/05/2005	4.06	4.06
06/22/2005	3.92	4.04	08/08/2005	4.07	4.06
06/23/2005	4.00	4.04	08/09/2005	4.02	4.06
06/24/2005	3.91	4.04	08/10/2005	4.02	4.06
06/27/2005	3.91	4.03	08/11/2005	4.07	4.06
06/28/2005	3.94	4.03	08/12/2005	4.13	4.06
06/29/2005	3.92	4.02			

8. Other Instructions and Guidelines Applicable to All Recognized Claims

- a. For Class Members who held Brocade common stock before the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a Recognized Claim. Under the FIFO method, for each Brocade share, each sale of that Brocade share during the Class Period will be matched, in chronological order, first against that Brocade share held at the beginning of the Class Period. Such holdings and

sales will be included in the calculation of Recognized Claim as described above. For each Brocade share, the remaining sales of such Brocade shares during the Class Period will then be matched, in chronological order, against purchases of such Brocade shares during the Class Period.

- b. A purchase or sale of Brocade common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, devise or operation of law of Brocade common stock during the Class Period shall not be deemed a purchase, acquisition, disposition or sale of Brocade common stock for the calculation of an Authorized Claimant’s Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such security unless specifically provided in the instrument of gift or assignment.
- c. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim compared to the Total Recognized Claims of all Authorized Claimants. Each Authorized Claimant shall be paid an amount determined by multiplying the Net Settlement Fund by a fraction the numerator of which shall be his, her or its “Recognized Claim” and the denominator of which shall be the Total Recognized Claims of all Authorized Claimants.
- d. Class Members who do not file acceptable Proofs of Claim will not share in the Net Settlement Fund. Class Members who do not submit acceptable Proofs of Claim will nevertheless be bound by the Brocade Settlement and Final Judgment of the Court dismissing this Action.
- e. Bank drafts will be distributed to Authorized Claimants after the Effective Date of the Settlement and after all claims have been processed. To the extent that any monies remain in the Net Settlement Fund after the Administrator has caused distributions to be made to all Authorized Claimants, whether by reason of un-cashed distributions or otherwise, then, after the Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in the Cash Settlement Accounts one (1) year after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If six months after such re-distribution, funds remain in the Net Settlement Fund, then such funds shall be further re-distributed to Authorized Claimants who have cashed their most recent re-distribution and who would receive at least \$10.00 from such further re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. The redistributions shall continue until it becomes economically unfeasible to continue re-distributions based upon the costs associated with such re-distributions, after which such balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s) to be designated by Class Counsel.
- f. The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds.