

ARUBA NETWORKS REPORTS RECORD FISCAL THIRD QUARTER 2010 FINANCIAL RESULTS

- *Revenue Increased 51% Year-over-Year and 10% Quarter-over-Quarter to a Record \$69.0 Million*
- *Company Added Over 700 New Customers to Surpass 10,000 Cumulative Customers*
- *Ending Cash and Short Term Investments Totaled \$144.4 Million With No Debt*

SUNNYVALE, Calif., May 19, 2010 – Aruba Networks, Inc. (NASDAQ: ARUN), a global leader in distributed enterprise network solutions, today released financial results for its fiscal third quarter ended April 30, 2010.

Revenues for the fiscal third quarter of 2010 were \$69.0 million, an increase of 51% from the \$45.8 million reported in the fiscal third quarter of 2009. GAAP net loss for the fiscal third quarter of 2010 was \$5.3 million, or \$0.06 per share, compared to a net loss of \$5.8 million, or \$0.07 per share, in the fiscal third quarter of 2009.

Non-GAAP net income for the fiscal third quarter of 2010 increased \$7.5 million from the fiscal third quarter of 2009 to \$8.5 million, or \$0.08 per share, compared to \$1.0 million or \$0.01 per share in the prior year period. A reconciliation between GAAP and non-GAAP information is contained in the tables below.

“Fiscal third quarter revenues increased 10% sequentially and 51% year-over-year, driven by broad demand across all of our major geographies,” said Dominic Orr, President and Chief Executive Officer of Aruba. “For the second quarter in a row, we added over 700 customers across a wide range of verticals, bringing our total installed base to over 10,000 customers. Adoption of 802.11n accelerated on a sequential basis in Q3, and we continue to see customers divert budgets from wired LANs toward our wireless solutions. Our Virtual Branch Networking initiative is

gaining momentum, eliminating the need for legacy branch infrastructure which is both complex and expensive. Additionally, we continued to innovate on our core wireless LAN solution with the introduction of products like our Spectrum Analysis Module, which enables customers to improve the reliability of wireless LAN networks. Geographically, our pending acquisition of Azalea Networks, in concert with our announced collaboration with Alcatel-Lucent Shanghai Bell, positions us well to expand in China – the largest market in Asia for our solutions and one that we have just begun to penetrate.”

“Year-over-year operating margins continued to improve in the third quarter as we benefitted from record revenues, strong gross margins, and operating leverage,” said Steffan Tomlinson, Aruba’s Chief Financial Officer. “Our balance sheet remains strong, and we ended the quarter with \$144.4 million in cash and short term investments.”

Recent Highlights

Recent highlights include:

- **Aruba to Acquire Azalea Networks** – Aruba announced the execution of a definitive agreement to purchase Azalea Networks, a leading supplier of outdoor mesh networks. The acquisition includes highly differentiated mesh products for critical outdoor industrial applications in the oil and gas, logistics, manufacturing, mining, petrochemical, public safety, smart grid, and transportation sectors. The acquisition includes an operations center in Beijing, staffed by world class engineers, which would complement Aruba’s existing R&D centers in Bangalore and Sunnyvale, CA. Under the proposed acquisition, Aruba will acquire Azalea in exchange for a total consideration of approximately \$27 million in stock subject to certain adjustments and up to \$13.5 million in cash over two years. The acquisition is expected to close in the first quarter of Aruba’s 2011 fiscal year.
- **Collaboration Agreement with Alcatel-Lucent Shanghai Bell** – The Company announced a collaboration agreement with Alcatel-Lucent Shanghai Bell to deliver its secure mobility solutions to enterprises, vertical markets, service providers, and government agencies throughout China. This announcement expanded Alcatel-Lucent and Aruba’s global alliance in China, Asia’s largest market for Wi-Fi systems and services.
- **Gartner's 2009 Magic Quadrant for Wireless LAN Infrastructure** - Aruba was again positioned as a “Leader” in Gartner's 2009 Magic Quadrant report. According to Gartner, among other attributes, Leaders have demonstrated an ability to shape the market and have no obvious gaps within their product portfolio.*

- **RF Spectrum Analyzer** - Aruba announced its new Spectrum Analysis Module, a software-based RF spectrum analyzer that works with all Aruba AP-105 and AP-120 series 802.11n access points with no new hardware required. The analyzer quickly identifies potential sources of interference and jamming that could affect network reliability, and can be enabled post-installation on any access point. An intuitive user interface makes quick work of configuring, reviewing, and recording spectrum data.
- **Virtual Branch Networking 2.0** – The Company introduced its new Virtual Branch Networking (VBN) 2.0 solution to affordably bring business-critical IT services to small branch and home offices. VBN 2.0 breaks new ground by migrating vital application acceleration and content security services into the cloud, rightsizing the company's capital expenditures and operating expenses.
- **U.S. Army Accreditation** - Aruba became the first vendor to receive accreditation from the U.S. Army's Office of Information Assurance and Certification for an 802.11n wireless LAN solution. Also accredited at the same time were Aruba's VBN solution, secure mesh software, and a suite of access points. All of these products were added to the Army's Information Assurance Approved Products List for immediate use by all branches of the Army.
- **Wi-Fi Based E911 Emergency Call Location Solution** - Aruba and RedSky Technologies announced a Wi-Fi based emergency call location solution that automatically and accurately locates Wi-Fi phones as they originate E9-1-1 calls, directing first responders to the correct address, building, and floor. This capability is expected to accelerate the migration from wired phones to mobile Wi-Fi phones, and works with Aruba's campus, branch office, and teleworker/home worker solutions.
- **Voice-Over-Wi-Fi Calling with the BlackBerry Mobile Voice System 5** – Aruba announced that its application fingerprinting technology now optimizes voice over Wi-Fi calling with Research In Motion's new BlackBerry(R) Mobile Voice System 5 (BlackBerry MVS 5). BlackBerry MVS 5 is an enterprise unified communications solution that extends corporate phone systems to BlackBerry smartphones. Aruba's fingerprinting technology identifies latency-sensitive voice application traffic, and then conditions the Wi-Fi network to deliver it reliably without compromising fidelity.
- **Partnership with Motion Computing** - Aruba and Motion Computing, a leading provider of integrated mobile computing solutions, announced a certified healthcare solution to reliably deliver unified communications services and data access at the point-of-care. The solution uses Aruba's adaptive 802.11n and VBN technologies to deliver the quality-of-service, security, and remote access needed to simultaneously support voice, video and data applications on Motion C5 Mobile Clinical Assistants and Motion Clinical Workstations.

Conference Call Information

Aruba will host a conference call for analysts and investors to discuss its fiscal third quarter results today at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time). A live Web cast of the conference call will also be accessible from the "Investor Relations" section of the Company's Web site at www.arubanetworks.com. Following the Web cast, an archived version will be available on the Web site for twelve months. To hear the replay, parties in the United States and Canada should call 1-800-406-7325 and enter passcode 4295956. International parties can access the replay at +1-303-590-3030 and should enter passcode 4295956.

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding the continued diversion of our customers' budgets from wired LANs toward our wireless solutions, the momentum of our Virtual Branch Networking initiative, and about the timing, expectations, beliefs, financial plans, intentions and strategies relating to our proposed acquisition of Azalea.

These forward-looking statements involve risks and uncertainties, as well as assumptions which, if they do not fully materialize or prove incorrect, could cause Aruba's results to differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties that could cause our results to differ materially from those expressed or implied by such forward-looking statements include (1) our ability to react to trends and challenges in our business and the markets in which we operate; (2) business and economic conditions and growth trends in the networking industry, our vertical markets and various geographic regions; (3) changes in overall information technology spending; (4) our ability to establish and maintain successful relationships with our distribution partners; and (5) our ability to compete in our industry, as well as those risks and uncertainties included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in Aruba's report on Form 10-Q for the fiscal second quarter of 2010 ended January 31, 2010, which was filed with the SEC on March 3, 2010, and is available on Aruba's investor relations Web site at www.arubanetworks.com and on the SEC Web site at www.sec.gov. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we assume no obligation to update these forward-looking statements.

Non-GAAP Financial Measures

In addition to disclosing financial measures prepared in accordance with Generally Accepted Accounting Principles (GAAP), this press release and the accompanying tables contain the following non-GAAP financial measures: non-GAAP net income

and non-GAAP earnings per share (EPS). The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Non-GAAP net income and EPS. Aruba defines non-GAAP net income as net income plus stock-based expenses and related payroll taxes, amortization expense of acquired intangible assets and, for the nine months ending April 30, 2010, litigation reserves and, for the fiscal second quarter of 2009, restructuring expenses. Aruba defines non-GAAP EPS as non-GAAP net income divided by the weighted average diluted shares outstanding. Aruba's management regularly uses these non-GAAP financial measures to understand and manage its business and believes that these non-GAAP financial measures provide meaningful supplemental information regarding the company's performance by excluding certain expenses that may not be indicative of Aruba's "recurring operating results," meaning its operating performance excluding not only stock-based expenses and related payroll taxes, but also discrete charges that are infrequent in nature, such as restructuring and litigation expenses. Because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use, Aruba's management believes that providing non-GAAP financial measures that exclude stock-based expenses allows investors to compare these results with those of other companies, as well as providing management with an important tool for financial and operational decision making and for evaluating the company's operating results over different periods of time. Similarly, by excluding amortization expense of acquired intangible assets, restructuring and litigation expenses, Aruba's management believes that investors can better understand and measure the company's recurring operating results.

There are a number of limitations related to the use of non-GAAP net income and EPS versus net income and EPS calculated in accordance with GAAP. First, these non-GAAP financial measures exclude some costs, namely stock-based expenses and related payroll taxes, that are recurring. Stock-based expenses and related payroll taxes have been and will continue to be for the foreseeable future a significant recurring expense in Aruba's business. Second, stock-based awards are an important part of Aruba's employees' compensation and impacts their performance. Third, the components of the costs that Aruba excludes in its calculation of non-GAAP net income may differ from the components that its peer companies exclude when they report their results of operations. Management compensates for these limitations by providing specific information regarding the GAAP amounts excluded from these non-GAAP financial measures and evaluating these non-GAAP financial measures together with their most directly comparable financial measures calculated in accordance with GAAP. The accompanying tables have more details on these non-GAAP financial measures, including reconciliations between these financial measures and their most directly comparable GAAP equivalents.

A copy of this press release can be found on the investor relations page of Aruba Networks' Web site at www.arubanetworks.com.