

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 21, 2006

BROCADE COMMUNICATIONS SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	000-25601	77-0409517
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

1745 Technology Drive
San Jose, CA 95110

(Address, including zip code, of principal executive offices)

(408) 333-8000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On November 21, 2006, Brocade Communications Systems, Inc. issued a press release announcing its financial results for the fourth quarter and fiscal year ended on October 28, 2006. A copy of the press release is attached as Exhibit 99.1, and the information in Exhibit 99.1 is incorporated herein by reference.

The information in Item 2.02 and Item 9.01 in this Current Report on Form 8-K and the exhibit attached hereto shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

99.1 Press release, dated November 21, 2006, announcing financial results of Brocade Communications Systems, Inc. for the fourth quarter and fiscal year ended on October 28, 2006.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BROCADE COMMUNICATIONS SYSTEMS, INC.

Dated: November 21, 2006

By: /s/ Richard Deranleau

Richard Deranleau
Chief Financial Officer

BROCADE REPORTS FOURTH QUARTER AND FISCAL YEAR 2006 RESULTS

Q4 06 RECORD REVENUE OF \$208.8 MILLION INCREASES 11% SEQUENTIALLY AND
44% YEAR-OVER-YEAR

SAN JOSE, Calif., Nov. 21 /PRNewswire-FirstCall/ -- Brocade Communications Systems, Inc. (Brocade(R)) (Nasdaq: BRCD) today reported financial results for its fourth quarter of fiscal year 2006 (Q4 06), which ended October 28, 2006. Revenues for Q4 06 were a record \$208.8 million. Revenues for Q4 06 increased 11% from \$188.9 million reported in the third quarter of fiscal year 2006 (Q3 06) and increased 44% from \$145.5 million reported in the fourth quarter of fiscal year 2005 (Q4 05). Revenues for fiscal year 2006 (FY 06) were \$750.6 million, an increase of 31% from \$574.1 million reported in fiscal year 2005 (FY 05).

Commenting on the Company's fourth quarter and fiscal year 2006 results, Michael Klayko, Brocade CEO, said, "Our fourth quarter was outstanding and a very strong finish to fiscal 2006. Throughout the year we have continued to execute well and I am proud of our team. Overall, we gained share across our product family and solidified our leadership position. The success in our Storage Area Network (SAN) business has helped us to drive returns this year while at the same time allowing us to invest for future growth."

Reporting on a GAAP basis, net income for Q4 06 was \$20.0 million, or \$0.07 per share basic and diluted. This compares to GAAP net income for Q3 06 of \$24.5 million, or \$0.09 per share basic and diluted, and GAAP net income for Q4 05 of \$1.1 million, or \$0.00 per share basic and diluted. Net income for FY 06 was \$67.6 million, or \$0.25 per share basic and diluted as compared to net income for FY 05 of \$43.1 million, or \$0.16 per share basic and diluted.

Non-GAAP net income for Q4 06 was \$39.4 million or \$0.15 per share basic and \$0.14 per share diluted, as compared to non-GAAP net income for Q3 06 of \$31.0 million, or \$0.11 per share basic and diluted, and non-GAAP net income for Q4 05 of \$19.0 million, or \$0.07 per share basic and diluted. Non-GAAP net income for FY 06 was \$122.8 million, or \$0.46 per share basic and \$0.45 per share diluted as compared to non-GAAP net income for FY 05 of \$69.3 million, or \$0.26 per share basic and diluted. Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. A detailed reconciliation between GAAP and non-GAAP information is contained in the tables included herein.

Certain reclassifications have been made to prior year balances in order to conform to the current year presentation.

Q4 06 Financial Highlights

- Q4 06 non-GAAP gross margin was 62.1%, compared to non-GAAP gross margin of 60.2% in Q3 06 and 55.3% in Q4 05.
- Q4 06 non-GAAP operating margin was 21.5%, compared to non-GAAP operating margin of 17.4% in Q3 06 and non-GAAP operating margin of 9.2% in Q4 05.
- Q4 06 cash flow from operations was \$52.8 million, compared to \$26.3 million in Q3 06 and \$39.4 million in Q4 05. Historically, the Company's cash flows are seasonally stronger in the second and fourth fiscal quarters and seasonally weaker in the first and third fiscal quarters due to the timing of employee compensation programs.
- Cash and investments at the end of Q4 06 were \$582.6 million. This compares to the cash and cash equivalents and investments balance, including restricted short-term investments, net of the Company's convertible debt at the end of each period, of \$518.6 million and \$485.5 million as of the end of Q3 06 and Q4 05, respectively. In Q4 06, the Company redeemed its outstanding 2% convertible notes using restricted short-term investments and no longer has outstanding debt.
- Day sales outstanding in accounts receivable for Q4'06 were 43 days, compared to 38 days in Q3 06 and 44 days in Q4 05.
- For Q4 06, three customers, EMC, HP, and IBM, each accounted for 10% or more of total revenues and together represented approximately 74% of total revenues. The same three customers each accounted for 10% or more of total revenues and together represented approximately 74% in Q3 06 and 71% in Q4 05 of total revenues.

-- As of October 28, 2006, the Company had 1,440 employees, compared with 1,399 employees as of July 29, 2006 and 1,160 employees as of October 29, 2005.

Q4 06 Business Highlights

During the quarter, news announcements highlighted the Company's continued progress of its strategy for growth and diversification through product and technology leadership.

- Brocade announced that it had entered into a definitive agreement to acquire McDATA Corporation. The acquisition is subject to obtaining approval from both Brocade and McDATA stockholders, regulatory approvals and certain other closing conditions.
- Brocade announced two new executive appointments - Regan McGrath, as Vice President of North America Sales and Senya Rahmil as Vice President of Worldwide Customer Support. The new VP appointments underscore the Company's continued and growing commitment to customer satisfaction.
- Brocade introduced more than 20 new and enhanced products and services that allow customers to more efficiently access corporate information, consolidate resources, and manage their data center infrastructure. These new and enhanced products cross over Brocade's SAN solutions, Brocade's file management software solutions that address the emerging File Area Network (FAN) market segment, and Brocade's growing professional services business.
- Brocade announced successful completion of the latest FICON qualification for the Brocade SilkWorm(R) 48000 and Brocade SilkWorm(R) 4100.
- Brocade was recognized for outstanding innovation in SAN product design, delivering on its commitment to offer the most high-performance and innovative storage networking products in the industry. The Brocade SilkWorm(R) 4900 Switch claimed the Big Bytes award for the best storage networking product in the SAN category.
- Brocade announced the expansion of the Brocade SAN Health family. The expanded SAN Health family provides SAN administrators with highly effective tools and services for fast, easy, and comprehensive data analysis and reporting to help optimize their Brocade and McDATA SAN environments.

Conference Call

Brocade will host a conference call on November 21, 2006 at 2:00 p.m. PT (5:00 p.m. ET) to discuss its fourth quarter results. The call will be audio webcast live via the Internet at www.brocade.com/investors. A telephone replay of the conference call will be available as soon as practicable after the call. To access the telephone replay, dial (800) 642-1687 or (706) 645-9291, passcode: 1658228. A replay of the conference call will also be available via webcast at www.brocade.com/investors for approximately twelve months.

Non-GAAP Financial Measures

This press release and the related conference call contain non-GAAP financial measures. In evaluating the Company's performance, management uses certain non-GAAP financial measures to supplement consolidated financial statements prepared under GAAP.

Non-GAAP Earnings Measure. Management believes that the non-GAAP net income measure used in this press release allows management to gain a better understanding of the Company's comparative operating performance from period-to-period and to its competitors' operating results. Management also believes this non-GAAP measure helps indicate the Company baseline performance before gains, losses or charges that are considered by management to be outside on-going operating results. Accordingly, management uses this non-GAAP measure for planning and forecasting of future periods and in making decisions regarding operations performance and the allocation of resources. Management believes this non-GAAP earnings measure, when read in conjunction with the Company's GAAP financials, provides useful information to investors by offering:

- the ability to make more meaningful period-to-period comparisons of the Company's on-going operating results;
- the ability to better identify trends in the Company's underlying business and perform related trend analysis;
- a better understanding of how management plans and measures the Company's underlying business; and
- an easier way to compare the Company's most recent results of operations against investor and analyst financial models.

Management excludes certain gains or losses and benefits or costs in determining non-GAAP net income that are the result of infrequent events, or arose outside the ordinary course of our continuing operations. Management believes that it is appropriate to evaluate the Company's operating performance by excluding those items that are not indicative of ongoing operating results or limit comparability. Such items include: (i) gains or losses on disposition of marketable or equity investments, (ii) acquisition and integration related expenses, (iii) costs associated with facilities lease losses, severance or restructurings, (iv) gains or losses as well as call premium on debt redemption, (v) legal fees associated with indemnification obligations, and costs of the related SEC investigation and internal review, (vi) SEC settlement provision, (vii) one-time warranty benefit, and (viii) fees and taxes related to the repatriation of foreign earnings under the American Jobs Creation Act of 2004.

Management also excludes the following non-cash charges in determining non-GAAP net income: (i) stock-based compensation, (ii) amortization of purchased intangible assets and (iii) in-process research and development. Because of varying available valuation methodologies, subjective assumptions and the variety of award types, management believes that the exclusion of stock-based compensation allows for more accurate comparisons of our operating results to our peer companies. Further, management believes that excluding stock-based compensation expense allows for a more accurate comparison of our financial results to previous periods during which our equity-based awards were not required to be reflected on our income statement. Management believes that the expense associated with the amortization of acquisition-related intangible assets is appropriate to be excluded because a significant portion of the purchase price for acquisitions may be allocated to intangible assets that have short lives and exclusion of the amortization expense allows comparisons of operating results that are consistent over time for both the Company's newly acquired and long-held businesses. In addition, management believes it is appropriate to exclude the in-process research and development expenses which are related to acquisitions as opposed to the Company's ongoing operations.

Finally, management believes that it is appropriate to exclude the tax effects of the items noted above in order to present a more meaningful measure on Non-GAAP net income.

General. These non-GAAP measures have limitations, however, because they do not include all items of income and expense that impact the Company. Management compensates for these limitations by also considering the Company's GAAP results. The non-GAAP financial measures the Company uses are not prepared in accordance with, and should not be considered an alternative to, measurements required by GAAP, such as operating income, net income and income per share, and should not be considered measures of the Company's liquidity. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP measures. In addition, these non-GAAP financial measures may not be comparable to similar measures reported by other companies.

Cautionary Statement

This press release contains forward-looking statements, including statements regarding customer demand for the Company's products, new product and service offerings, and the Company's overall market strategy. These statements are based on current expectations on the date of this press release and involve a number of risks and uncertainties, which may cause actual results to differ significantly from such estimates. The risks include, but are not limited to, demand for the Company's product and service offerings may decrease or not continue to grow at the same pace; market acceptance of the Company's new product and service offerings; increased market competition; the effect of changes in IT spending levels; the Company's ability to anticipate future OEM and end-user product needs or to accurately forecast end-user demand; the ongoing SEC and DOJ investigation; dependence on a limited number of OEM partners; and the Company's ability to manage its business effectively in a rapidly evolving market. These and other risks are set forth in more detail in the section entitled "Risk Factors" under Item 1A of Part II of the Company's Quarterly Report on Form 10-Q for the quarter ended July 29, 2006. Brocade assumes no obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise.

About Brocade Communications Systems, Inc.

Brocade delivers industry-leading platforms, solutions, and services for intelligently connecting, managing, and optimizing IT resources in shared storage environments. The world's premier systems, server, and storage providers offer the Brocade SilkWorm family of Storage Area Network (SAN) connectivity platforms as the foundation for shared storage in organizations of all sizes. In addition, the Brocade Tapestry(TM) family of IT infrastructure solutions extends the ability to proactively manage and optimize application and information resources across the enterprise. Using Brocade solutions, organizations are better positioned to reduce cost, manage complexity, and satisfy business compliance requirements through optimized use and management of their IT resources. For more information, visit the Brocade Web site at www.brocade.com or contact the company at info@brocade.com.

NOTE: Brocade, the Brocade B weave logo, Fabric OS, File Lifecycle Manager, MyView, Secure Fabric OS, SilkWorm, and StorageX are registered trademarks and Tapestry is a trademark of Brocade Communications Systems, Inc., in the United States and/or in other countries. All other brands, products, or service names are or may be trademarks or service marks of, and are used to identify, products or services of their respective owners.

BROCADE COMMUNICATIONS SYSTEMS, INC.
GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Year ended	
	October 28, 2006	October 29, 2005	October 28, 2006	October 29, 2005
Net revenues	\$ 208,821	\$ 145,516	\$ 750,592	\$ 574,120
Cost of revenues	81,172	64,949	305,184	251,161
Gross margin	127,649	80,567	445,408	322,959
Operating expenses:				
Research and development	43,427	35,068	164,843	132,448
Sales and marketing	38,752	26,285	139,434	101,202
General and administrative	7,566	6,866	31,089	25,189
Legal fees associated with indemnification obligations, SEC investigation and other related costs	3,475	5,201	13,654	14,027
Provision for SEC settlement	--	--	7,000	--
Acquisition and integration costs	9,061	--	9,646	--
Amortization of intangible assets	888	--	2,294	--
Restructuring and facilities lease losses	--	(533)	3,775	(670)
In-process research and development	--	--	--	7,784
Total operating expenses	103,169	72,887	371,735	279,980
Income from operations	24,480	7,680	73,673	42,979
Interest and other income, net	6,705	6,054	29,098	22,656
Gain on repurchases of convertible subordinated debt	--	--	--	2,318
Interest expense	(1,604)	(1,997)	(7,082)	(7,693)
Gain (loss) on investments, net	--	(5,178)	2,663	(5,062)
Income before provision for income taxes	29,581	6,559	98,352	55,198
Income tax provision	9,624	5,503	30,723	12,077
Net income	\$ 19,957	\$ 1,056	\$ 67,629	\$ 43,121
Net income per share - Basic	\$ 0.07	\$ 0.00	\$ 0.25	\$ 0.16
Net income per share - Diluted	\$ 0.07	\$ 0.00	\$ 0.25	\$ 0.16
Shares used in per share calculation - Basic	269,027	269,679	269,602	268,176
Shares used in per share calculation - Diluted	276,113	270,311	274,142	270,260

BROCADE COMMUNICATIONS SYSTEMS, INC.
GAAP CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	October 28, 2006	October 29, 2005
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 274,368	\$ 182,001
Short-term investments	267,694	209,865
	-----	-----
Total cash, cash equivalents, and short-term investments	542,062	391,866
Restricted short-term investments	--	277,230
Accounts receivable, net	98,394	70,104
Inventories	8,968	11,030
Prepaid expenses and other current assets	43,365	19,908
	-----	-----
Total current assets	692,789	770,138
Long-term investments	40,492	95,306
Property and equipment, net	104,299	108,118
Goodwill	41,013	--
Intangible assets, net	15,628	--
Other assets	6,497	8,168
	-----	-----
Total assets	\$ 900,718	\$ 981,730
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 56,741	\$ 23,778
Accrued employee compensation	62,842	37,762
Deferred revenue	60,878	45,488
Current liabilities associated with lease losses	4,931	4,659
Other accrued liabilities	87,991	69,832
Convertible subordinated debt	--	278,883
	-----	-----
Total current liabilities	273,383	460,402
Non-current liabilities associated with lease losses	11,105	12,481
Stockholders' equity		
Common stock	889,250	855,833
Deferred stock compensation	--	(3,180)
Accumulated other comprehensive loss	(817)	(3,974)
Accumulated deficit	(272,203)	(339,832)
	-----	-----
Total stockholders' equity	616,230	508,847
	-----	-----
Total liabilities and stockholders' equity	\$ 900,718	\$ 981,730
	=====	=====

BROCADE COMMUNICATIONS SYSTEMS, INC.
GAAP CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
(in thousands)
(unaudited)

	Year ended	
	October 28, 2006	October 29, 2005
Cash flows from operating activities:		
Net income	\$ 67,629	\$ 43,121
Adjustments to reconcile net income to net cash provided by operating activities:		
Excess tax benefit (provision) from employee stock plans	(15,792)	2,571
Depreciation and amortization	34,731	46,203
Loss on disposal of property and equipment	438	1,879
Amortization of debt issuance costs	1,430	1,366
Gain on repurchase of convertible subordinated debt	--	(2,318)
In-process research and development	--	7,784
Net (gains) losses on investments and marketable equity securities	(2,685)	5,178
Non-cash compensation expense (benefit)	31,407	377
Provision for doubtful accounts receivable and sales returns	2,419	2,955
Provision for SEC settlement	7,000	--
Non-cash facilities lease loss expense and restructuring	3,775	(670)
Changes in operating assets and liabilities:		
Accounts receivable	(30,137)	21,312
Inventories	2,062	(5,433)
Prepaid expenses and other assets	(19,839)	(245)
Accounts payable	32,963	(17,117)
Accrued employee compensation	25,080	4,432
Deferred revenue	15,390	10,602
Other accrued liabilities and long-term debt	15,858	9,113
Liabilities associated with lease losses	(4,869)	(5,245)
Net cash provided by operating activities	166,860	125,865
Cash flows from investing activities:		
Purchases of property and equipment	(30,430)	(27,267)
Purchases of short-term investments	(325,884)	(254,642)
Proceeds from sale of marketable equity securities and equity investments	10,185	--
Proceeds from maturities and sale of short-term investments	363,873	618,063
Purchases of long-term investments	(40,267)	(202,764)
Proceeds from maturities and sale of long-term investments	--	178,428
Proceeds from the maturities of restricted short-term investments	281,414	(275,995)
Purchases of non-marketable minority equity investments	(4,575)	(3,498)
Cash paid in connection with acquisitions, net of cash acquired	(27,856)	(7,185)
Cash placed in escrow in connection with acquisition of NuView	(32,031)	--
Net cash used in investing activities	194,429	25,140
Cash flows from financing activities:		
Purchases of convertible subordinated debt	--	(70,485)
Proceeds from issuance of common stock, net	34,255	29,720
Common stock repurchase program	(40,206)	(7,050)
Redemption of outstanding convertible debt	(278,883)	--
Excess tax benefit from employee stock plans	15,792	--
Net cash used in financing activities	(269,042)	(47,815)
Effect of exchange rate fluctuations on cash and cash equivalents	120	(564)

Net increase (decrease) in cash and cash equivalents	92,367	102,626
Cash and cash equivalents, beginning of period	182,001	79,375
	-----	-----
Cash and cash equivalents, end of period	\$ 274,368	\$ 182,001
	=====	=====

BROCADE COMMUNICATIONS SYSTEMS, INC.
RECONCILIATION BETWEEN GAAP AND NON-GAAP NET INCOME
(in thousands, except per share data)
(unaudited)

	Q4 06	Q3 06	Q4 05
	-----	-----	-----
Net income (loss) on a GAAP basis	\$ 19,957	\$ 24,498	\$ 1,056
Adjustments:			
Stock-based compensation expense included in cost of revenues	2,117	1,738	(83)
	-----	-----	-----
Total gross margin adjustments	2,117	1,738	(83)
Legal fees associated with indemnification obligations and SEC investigation	3,475	2,990	5,201
Stock-based compensation expense included in research and development	2,519	3,052	682
Stock-based compensation expense included in sales and marketing	1,682	1,771	42
Stock-based compensation expense included in general and administrative	688	876	18
Professional fees related to repatriation of foreign earnings included in general and administrative	--	--	384
Amortization of intangible assets	888	888	--
Integration costs	9,061	--	--
Restructuring costs	--	--	(533)
	-----	-----	-----
Total operating expense adjustments	18,313	9,577	5,794
	-----	-----	-----
Total operating income adjustments	20,430	11,315	5,711
Call premium on redeemed debt	1,115	--	--
(Gain) Loss on investments	--	(2,685)	5,178
Income tax related to repatriation of foreign earnings	--	--	4,334
Income tax effect of adjustments	(2,076)	(2,152)	2,673
	-----	-----	-----
Non-GAAP net income	\$ 39,426	\$ 30,976	\$ 18,952
	=====	=====	=====
Non-GAAP net income per share - Basic	\$ 0.15	\$ 0.11	\$ 0.07
	=====	=====	=====
Non-GAAP net income per share - Diluted	\$ 0.14	\$ 0.11	\$ 0.07
	=====	=====	=====
Shares used in non-GAAP per share calculation - Basic	269,027	269,417	269,679
	=====	=====	=====
Shares used in non-GAAP per share calculation - Diluted	276,113	273,959	270,311
	=====	=====	=====

See explanation of non-GAAP information included herein.

BROCADE COMMUNICATIONS SYSTEMS, INC.
RECONCILIATION BETWEEN GAAP AND NON-GAAP NET INCOME
(in thousands, except per share data)
(unaudited)

	October 28, 2006	October 29, 2005
	-----	-----
Net income (loss) on a GAAP basis	\$ 67,629	\$ 43,121
Adjustments:		
Stock-based compensation expense included in cost of revenues	7,616	(530)
Warranty adjustment included in cost of revenue	--	(1,853)
	-----	-----
Total gross margin adjustments	7,616	(2,383)
Legal fees associated with indemnification obligations, internal review costs and SEC investigation	13,654	14,027
SEC settlement provision	7,000	--
Stock-based compensation expense included in research and development	10,709	292
Stock-based compensation expense included in sales and marketing	6,313	(126)
Stock-based compensation expense included in general and administrative	2,911	(186)
Professional fees related to repatriation of foreign earnings included in general and administrative	--	384
Severance included in general and administrative	--	117
Amortization of intangible assets	2,294	--
Acquisition and integration costs	9,646	--
Facilities lease loss adjustments and restructuring	3,775	(670)
In-process research and development	--	7,784
	-----	-----
Total operating expense adjustments	56,302	21,622
	-----	-----
Total operating income adjustments	63,918	19,239
	-----	-----
Call premium on redeemed debt	1,115	--
Gain on repurchases of convertible subordinated debt	--	(2,318)
(Gain) Loss on investments	(2,685)	5,062
Income tax related to repatriation of foreign earnings	--	4,334
Income tax effect of adjustments	(7,220)	(177)
	-----	-----
Non-GAAP net income	\$ 122,757	\$ 69,261
	=====	=====
Non-GAAP net income per share - Basic	\$ 0.46	\$ 0.26
	=====	=====
Non-GAAP net income per share - Diluted	\$ 0.45	\$ 0.26
	=====	=====
Shares used in non-GAAP per share calculation - Basic	269,602	268,176
	=====	=====
Shares used in non-GAAP per share calculation - Diluted	274,142	270,260
	=====	=====

See explanation of non-GAAP information included herein.

SOURCE Brocade Communications Systems, Inc.

-0- 11/21/2006

/CONTACT: Investor Relations, Shirley Stacy, +1-408-333-5752, or
sstacy@brocade.com, or Media Relations, Leslie Davis, +1-408-333-5260, or
lmdavis@brocade.com, both of Brocade Communications Systems, Inc./

/Web site: <http://www.brocade.com/>
(BRCD BRCD2)