Corporate Update

Enabling The Use of Data

February 2015
Safe Harbor Statement

These slides and the accompanying oral presentation contain forward-looking statements and information.

The use of words such as “may”, “might”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “project”, “intend”, “future”, “potential” or “continued”, and other similar expressions are intended to identify forward-looking statements.

All of these forward-looking statements are based on estimates and assumptions by our management that, although we believe to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, industry, strategy or actual results to differ materially from the forward-looking statement.

These risks and uncertainties may include those discussed under the heading “Risk Factors” in the Company’s most recent 10K and 10Qs on file with the Securities and Exchange Commission, and other factors which may not be known to us. Any forward-looking statement speaks only as of its date. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.
We Live in a World of Data

More Devices

More Applications

More Data

Data Needs to be Accessible Always and in Real-Time
Mellanox Enables the Use of Data

In the World of Data

Businesses Turn to Mellanox Technologies To Enable the Use of Data
Enables Most Efficient Compute and Storage Solutions

Enabling the Use of Data

Analyze

Store
Enabling Tomorrow’s Platforms Today

Enabling the Use of Data

CloudX™  PlatformX™  StoreX™
Enabling Tomorrow’s Platforms Today

Enabling the Use of Data

CloudX™ PlatformX™ StoreX™
Enabling Tomorrow’s Platforms Today

Enabling the Use of Data

Mellanox Technologies

CloudX™ PlatformX™ StoreX™

Business Intelligence
Internet of Things
Healthcare

Data-Intensive Simulations
Smart Cars
National Security

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Moving Data is Key for Using Data

Moving More Data - Quickly, Securely, Efficiently

Reducing Data Center CAPEX and OPEX

Increasing Application Productivity

HPC  Cloud  Web 2.0 Big Data  Database Enterprise  Storage

Use Your Data, Enable Your Future
Making the Cloud Easy

The World is Moving to the Cloud
But Building a Cloud is a Challenge

Private Cloud  CloudX™  Public Cloud

Mellanox Makes it Easy: Deploy, Use and Maintain
Lower Your IT Cost by 50%!

The Platform for Creating the Applications of Tomorrow
CloudX Delivers Unlimited Cloud Performance

4X Faster Runtime!
Benchmark: TestDFSIO (1TeraByte, 100 files)

2X Higher Performance!
Benchmark: 1M Records Workload (4M Operations)
2X Faster Runtime and 2X Higher Throughput

2X Faster Runtime!
Benchmark: MemCacheD Operations

3X Faster Runtime!
Benchmark: Redis Operations
“To make storage cheaper we use lots more network!
How do we make Azure Storage scale? RoCE (RDMA over Converged Ethernet) enabled at 40GbE for Windows Azure Storage, achieving massive COGS savings”
“Compute intensive VMs – more memory, more virtual machines, 40G InfiniBand access with RDMA within region and across regions at Azure, enable you to build high performance high scale applications”
Businesses’ Success Depends on Mellanox

13 Million Financial Transactions per Day, 4 Billion Database Inserts
Real Time Fraud Detection

Accuracy, Details, Fast Response
10X Higher Performance, 50% CAPEX Reduction

Reacting to Customers’ Needs in Real Time!
Reducing Data Queries from 20 minutes to 20 seconds

97% Reduction in Database Recovery Time
From 7 Days to 4 Hours!

Tier-1 Fortune100 Company
Web 2.0 Application
Mellanox Enables World-Leading Research and Science Platforms

Accelerating World’s Leading Petascale Supercomputers (Examples)
Dominant in Storage Platforms

Market-Leading Performance with RDMA Interconnects
Mellanox Enables You to Unleash Your Potential

To Create The Applications of Tomorrow

- Fastest Data Speed
- Scalable
- Highest Performance
- Real-Time
- Power of Data

Mellanox Technologies

- CloudX™
- StoreX™
- PlatformX™

Cost-Effective
Efficient Compute and Storage
Unlimited

On the Most Efficient X86, ARM and Power-based Compute and Storage Platforms
Mellanox Overview

Company headquarters:
- Yokneam, Israel; Sunnyvale, California
- ~1,723 employees* worldwide

Solid financial position
- FY14 revenue of $463.6M
- 4Q14 revenue of $141.1M
- 1Q15 guidance ~$140M to $145M
- Cash + investments @ 12/31/14 = $389.0M

* As of December 2014
Multi-Billion Dollar Total Available Market (TAM)

- **Server**
  - 10.2M in 2014
  - 11.1M in 2016, 4.2% CAGR

- **Storage**
  - 0.94M in 2014
  - 1.0M in 2016, 3.4% CAGR

- **Embedded**
  - 0.7M in 2014

11.8M End Points = $4.7B TAM\(^3\) in 2014

12.8M End Points = $5.1B TAM\(^3\) in 2016

Source: ¹ Gartner; ² VDC Research
³ $400 ASP per end point
Top Tier OEMs, ISVs and Distribution Channels

Hardware OEMs
- Server
  - HP
  - Lenovo
  - Oracle
  - IBM
  - ASUS
  - Bull
  - Quanta
  - SGI
  - Sugon
- Storage
  - EMC
  - HP
  - IBM
  - NetApp
  - Oracle
  - DataDirect
  - Seagate
  - SGI
  - LSI
- Embedded
  - Fanuc
  - Fujitsu
  - Cisco
  - Mercury
  - SeaChange

Software Partners
- Microsoft
- Red Hat
- Novell
- Solaris
- AIX
- HP-UX
- VMware
- Oracle
- IBM DB2
- Tibco
- Informatica
- Synopsys
- Autodesk

Selected Channel Partners
- Altima
- Atlantik Systeme
- ASBIS
- AVNET
- Boston
- DSCon
- Ingram Micro
- Hammer
- INGRAM Micro
- Servants
- Synnex
- Tech Data
Leading Supplier of End-to-End Interconnect Solutions

Enabling the Use of Data

Comprehensive End-to-End InfiniBand and Ethernet Portfolio

- ICs
- Adapter Cards
- Switches/Gateways
- Software and Services
- Metro / WAN
- Cables/Modules

At the Speeds of 10, 25, 40, 50, 56 and 100 Gigabit per Second
The Flexibility of Virtual Protocol Interconnect (VPI) Technology

**ConnectX-3** VPI Adapter
- Ethernet: 10/40/56 Gb/s
- InfiniBand: 10/20/40/56 Gb/s

**Swell x2** VPI Switch
- Unified Fabric Manager
- Switch OS Layer
- 64 ports 10GbE
- 36 ports 40/56GbE
- 48 10GbE + 12 40/56GbE
- 36 ports IB up to 56Gb/s
- 8 VPI subnets

From data center to campus and metro connectivity

**Applications**
- Networking
- Storage
- Clustering
- Management

**Networking**
- Acceleration Engines

**LOM**
- Adapter Card
- Mezzanine Card

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The Future Depends on the Fastest Interconnects

1Gb/s  10Gb/s  40/56Gb/s

CloudX™  PlatformX™  StoreX™

The Future Depends on Mellanox
Entering the Era of 100Gb/s

- **March 2014**
  - LinkX
  - Copper (Passive, Active)
  - Optical Cables (VCSEL)
  - Silicon Photonics

- **June 2014**
  - SwitchIB
  - 36 EDR (100Gb/s) Ports, <90ns Latency
  - Throughput of 7.2Tb/s

- **NEW!**
  - ConnectX-4
  - 100Gb/s Adapter, 0.7us latency
  - 150 million messages per second
  - (10 / 25 / 40 / 50 / 56 / 100Gb/s)
Faster Data Movement Enables Better Data Utilization

Keeping You One Generation Ahead

Mellanox Roadmap of Data Speed

10Gbs → 20Gbs → 40Gbs → 56Gbs → 100Gbs → 200Gbs


Enabling the Use of Data

Gbs – Gigabit per second

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Financial Overview
Historical Annual Revenue Growth

Annual Revenue ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($M)</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>116.0</td>
<td>7.7%</td>
</tr>
<tr>
<td>2010</td>
<td>154.6</td>
<td>33.3%</td>
</tr>
<tr>
<td>2011</td>
<td>259.3</td>
<td>67.6%</td>
</tr>
<tr>
<td>2012</td>
<td>500.3</td>
<td>93.0%</td>
</tr>
<tr>
<td>2013</td>
<td>390.4</td>
<td>(22.0%)</td>
</tr>
<tr>
<td>2014</td>
<td>463.6</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

Source: Company financial statements

5-Year CAGR (2010 – 2014) ~ 32%
Annual Revenue Proforma ($M)

- **2010**: 154.6
- **2011**: 300.0-310.0
- **2012**: 400.0-410.0
- **2013**: 430.0-440.0
- **2014**: 463.6

- Actual revenue
- Proforma revenue (estimated)
Historical Quarterly Revenue Growth

Quarterly Revenue ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55.1</td>
<td>63.3</td>
<td>68.2</td>
<td>72.7</td>
<td>88.6</td>
</tr>
<tr>
<td></td>
<td>133.2</td>
<td>156.4</td>
<td>122.0</td>
<td>82.9</td>
<td>98.3</td>
</tr>
<tr>
<td></td>
<td>103.6</td>
<td>105.6</td>
<td>99.0</td>
<td>102.8</td>
<td>120.7</td>
</tr>
<tr>
<td></td>
<td>141.1</td>
<td>140-145E</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Company financial statements
Positive Cash Flow from Operations

Cash Flow from Ops ($M)

Cash and Investments @ December 31, 2014 = $389.0M¹

¹Cash and investments include $3.6M in restricted cash
### Percentage-Based Income Statement (Non-GAAP\(^1\))

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>Long term model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>72%</td>
<td>69%</td>
<td>70%</td>
<td>65% - 69%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>35%</td>
<td>36%</td>
<td>38%</td>
<td>26% - 30%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>17%</td>
<td>22%</td>
<td>19%</td>
<td>15% - 18%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>21%</td>
<td>11%</td>
<td>12%</td>
<td>24% - 28%</td>
</tr>
<tr>
<td>Net Income</td>
<td>20%</td>
<td>10%</td>
<td>13%</td>
<td>23% - 27%</td>
</tr>
</tbody>
</table>

\(^1\)For a reconciliation of non-GAAP to GAAP financial measures, please reference the Company’s 4Q14 financial results press release
Source: Company financial statements

Strategy is to drive revenue and earnings growth rates with end-to-end solutions, expand distribution channels and enhance product offerings.
Investment Highlights Summary

- Interconnect technology is critical for business performance
  - Increases application productivity and ROI

- Interconnect market has shown consistent growth
  - In HPC, Web 2.0, storage, database, cloud and Big Data markets

- Silicon photonics is expected to play a significant role in the enablement of high-speed networks
  - Key to achieving reliable, longer reach 100Gb/s and above communication

- Mellanox uniquely positioned to continue leading the market
  - Provider of fastest interconnect technology currently available
  - Strong partnerships, channel relationships
  - Providing compelling benefits to multiple, high growth markets

- Demonstrated revenue growth, strong cash flow and increasing profitability with attractive gross margins
  - Solid revenue growth (~32% CAGR) over the last 5 years
  - Products address large $4.7 billion TAM in 2014