

Ahead of the Bell: Brocade shares jump

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(AP) -- Shares of Brocade Communications Systems Inc. jumped in premarket trading Monday after a report the network gear and data storage company is up for sale.

The stock rose \$1.05, or 13.7 percent, to \$8.70 in premarket trading. The stock has ranged from \$2.05 to \$9.02 over the past year.

Citing unnamed people with knowledge of the matter, The [Wall Street Journal](#) reported Monday that Brocade is looking for a buyer, with Hewlett-Packard Co. and [Oracle Corp.](#) considering bids. The Journal reported that a deal is not imminent and that Brocade could still decide to remain an independent company.

Calls to Brocade, HP and Oracle seeking comment were not immediately returned Monday morning.

If such a deal is struck it would follow a similar pattern emerging in the technology industry. Companies have been putting up large sums to broaden their offerings of equipment and services, stepping up competition with rivals for corporate contracts.

In the most recent example, [Xerox Corp.](#) said last week it will pay \$6.4 billion for Affiliated Computer Services Inc., a company that does outsourcing work for businesses. A week earlier, [Dell Inc.](#) said it would buy Perot Systems Corp. for \$3.9 billion, giving the company a sizeable technology services unit.

Brocade, based in San Jose, Calif., makes equipment and software for connecting corporate servers and data centers, selling its products through distribution deals with partners including IBM Corp., EMC Corp. and HP.

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