

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>BLUEARC CORPORATION</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>04/01/2001</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>BLUEARC CORPORATION</u> <u>50 RIO ROBLES DRIVE</u> <u>SAN JOSE, CA 95134</u>	2b Employer Identification Number (EIN) <u>77-0526726</u> 2c Sponsor's telephone number <u>408-970-1055</u> 2d Business code (see instructions) <u>334110</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>07/26/2012</u>	<u>MELISSA KULLANDER</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
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3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BLUEARC CORPORATION 50 RIO ROBLES DRIVE SAN JOSE, CA 95134	3b Administrator's EIN 77-0526726 3c Administrator's telephone number 408-970-1055
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	235
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	220
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	2
d Subtotal. Add lines 6a , 6b , and 6c	6d	222
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	222
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	3
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>BLUEARC CORPORATION</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BLUEARC CORPORATION</u>	D Employer Identification Number (EIN) <u>77-0526726</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FID.INV.INST.OPS.CO.

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	1770	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AM CENT EQUITY INC - AMERICAN CENTU</p> <p>44-0619208</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.35%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>COL MID CAP GRTH Z - COLUMBIA MGT I P.O. BOX 8081 BOSTON, MA 02266</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.40%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>PIMCO LOW DUR ADM - BOSTON FINANCIA 330 W. 9TH STREET KANSAS CITY, MO 66160</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.26%</p>		

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="font-size: 24pt; font-weight: bold;">2011</div> This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan BLUEARC CORPORATION	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 BLUEARC CORPORATION	D Employer Identification Number (EIN) 77-0526726	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	637901	685779
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	127876	172077
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	6999119	8475529
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	7764896	9333385

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7764896	9333385
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	2235213	
(C) Others (including rollovers)	2a(1)(C)	497154	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2732367
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	64	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	9561	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		9625
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	273864	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		273864
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-567503
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2448353

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	877817	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		877817
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	2047	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2047
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		879864

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1568489
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MOHLER, NIXON & WILLIAMS (2) EIN: 77-0106234

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>BLUEARC CORPORATION</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BLUEARC CORPORATION</u>	D Employer Identification Number (EIN) <u>77-0526726</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

REPORT OF INDEPENDENT AUDITORS

**To the Participants and
Plan Administrator of the
BlueArc Corporation
401(k) and Profit Sharing Plan**

We were engaged to audit the financial statements and supplemental schedule of the BlueArc Corporation 401(k) and Profit Sharing Plan (the Plan) as of January 31, 2012, and for the period January 1, 2012 through January 31, 2012, and as of and for the years ended December 31, 2011 and 2010, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), as amended, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee held the Plan's investment assets and executed investment transactions. The Plan Administrator obtained a certification from the trustee as of January 31, 2012, and for the period January 1, 2012 through January 31, 2012, and as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



MOHLER, NIXON & WILLIAMS
Accountancy Corporation

Campbell, California
July 17, 2012

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

EIN: 77-0526726
PLAN #001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Current value
* Fidelity Retirement Money Market Fund	Money Market Fund	\$ 685,779
PIMCO Total Return Admin	Mutual Fund	175,348
Columbia Mid Cap Growth Z	Mutual Fund	126,806
PIMCO Low Duration Admin	Mutual Fund	32,664
American Century Equity Income	Mutual Fund	16,786
Ridgeworth Mid Cap Value I	Mutual Fund	414,941
* Fidelity Fund	Mutual Fund	80,335
* Fidelity Puritan Fund	Mutual Fund	232,877
* Fidelity Value Strategies Fund	Mutual Fund	146,360
* Fidelity Contra Fund	Mutual Fund	416,466
* Fidelity Equity Income Fund	Mutual Fund	105,910
* Fidelity Growth Company Fund	Mutual Fund	367,385
* Fidelity Intermediate Bond	Mutual Fund	346,470
* Fidelity OTC Portfolio Fund	Mutual Fund	212,495
* Fidelity Real Estate Investments Fund	Mutual Fund	209,155
* Fidelity Blue Chip Growth Fund	Mutual Fund	294,261
* Fidelity Low-Priced Stock Fund	Mutual Fund	327,983
* Fidelity Diversified International Fund	Mutual Fund	448,096
* Fidelity Dividend Growth Fund	Mutual Fund	115,258
* Fidelity Export and Multinational Fund	Mutual Fund	185,571
* Fidelity Mid-Cap Stock Fund	Mutual Fund	298,972
* Fidelity Large Cap Stock Fund	Mutual Fund	104,041
* Fidelity Freedom Income Fund	Mutual Fund	9,740
* Fidelity Freedom 2000 Fund	Mutual Fund	38,255
* Fidelity Freedom 2010 Fund	Mutual Fund	45,515
* Fidelity Freedom 2020 Fund	Mutual Fund	409,793
* Fidelity Freedom 2030 Fund	Mutual Fund	358,787
* Fidelity Small Cap Discovery Fund	Mutual Fund	174,086
* Spartan Total Market Index Fund	Mutual Fund	152,226
* Spartan Extended Market Index Fund	Mutual Fund	97,171
* Spartan International Index	Mutual Fund	173,587
* Fidelity Fifty Fund	Mutual Fund	69,072
* Fidelity Freedom 2005 Fund	Mutual Fund	9,553
* Fidelity Freedom 2040 Fund	Mutual Fund	671,686
* Fidelity Freedom 2015 Fund	Mutual Fund	97,763
* Fidelity Freedom 2025 Fund	Mutual Fund	925,467
* Fidelity Freedom 2035 Fund	Mutual Fund	390,111
* Fidelity Small Cap Value Fund	Mutual Fund	119,955
* Fidelity Freedom 2045 Fund	Mutual Fund	47,644
* Fidelity Freedom 2050 Fund	Mutual Fund	26,939
* Participant loans	Interest rates ranging from 4.25% to 8%	172,077
		Total
		<u>\$9,333,386</u>

* Party-in-interest

BlueArc Corporation
401(k) and Profit Sharing Plan
Financial Statements
January 31, 2012,
December 31, 2011 and 2010

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

Financial Statements and Supplemental Schedule
January 31, 2012, December 31, 2011 and 2010

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Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

REPORT OF INDEPENDENT AUDITORS**To the Participants and
Plan Administrator of the
BlueArc Corporation
401(k) and Profit Sharing Plan**

We were engaged to audit the financial statements and supplemental schedule of the BlueArc Corporation 401(k) and Profit Sharing Plan (the Plan) as of January 31, 2012, and for the period January 1, 2012 through January 31, 2012, and as of and for the years ended December 31, 2011 and 2010, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), as amended, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee held the Plan's investment assets and executed investment transactions. The Plan Administrator obtained a certification from the trustee as of January 31, 2012, and for the period January 1, 2012 through January 31, 2012, and as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



MOHLER, NIXON & WILLIAMS
Accountancy Corporation

Campbell, California
July 17, 2012

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	January 31,	December 31,	
	2012	2011	2010
	<hr/>	<hr/>	<hr/>
Assets:			
Investments, at fair value	\$ -	\$ 9,161,309	\$ 7,637,020
Notes receivable from participants		172,077	127,876
	<hr/>	<hr/>	<hr/>
Net assets available for benefits	\$ -	\$ 9,333,386	\$ 7,764,896
	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Period ended January 31, 2012	Years ended December 31,	
		2011	2010
Additions to net assets attributed to:			
Investment and other income (loss):			
Dividends and interest	\$ 1,540	\$ 283,490	\$ 108,573
Net realized and unrealized appreciation (depreciation) in fair value of investments	438,899	(567,503)	939,763
	440,439	(284,013)	1,048,336
Participants' contributions	3,540	2,732,367	1,650,902
Total additions	443,979	2,448,354	2,699,238
Deductions from net assets attributed to:			
Withdrawals and distributions	74,799	877,817	1,262,322
Administrative expenses	954	2,047	674
Total deductions	75,753	879,864	1,262,996
Net increase in net assets prior to transfer	368,226	1,568,490	1,436,242
Transfer of assets out of the Plan	(9,701,612)		
Net increase (decrease) in net assets	(9,333,386)	1,568,490	1,436,242
Net assets available for benefits:			
Beginning of period	9,333,386	7,764,896	6,328,654
End of period	\$ -	\$ 9,333,386	\$ 7,764,896

See accompanying notes to financial statements.

BLUEARC CORPORATION

401(k) AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2012, DECEMBER 31, 2011 AND 2010

NOTE 1 - THE PLAN AND ITS SIGNIFICANT ACCOUNTING POLICIES

General - The following description of the BlueArc Corporation 401(k) and Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan was a defined contribution plan that was established in 2001 by BlueArc Corporation (the Company) to provide benefits to eligible employees, as defined in the Plan document. The Plan was designed to be qualified under the applicable requirements of the Internal Revenue Code (the Code), as amended, and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

On September 7, 2011, Hitachi Data Systems Corporation (Hitachi) acquired the Company and the Board of Directors of Hitachi elected to merge the Plan into the Hitachi Data Systems Retirement and Savings Program (the HDS Plan) effective January 31, 2012. All of the Plan's assets of approximately \$9,702,000 were transferred out of the Plan and into the HDS Plan on January 31, 2012.

Administration - The Company had appointed a Plan Retirement Committee (the Committee) to manage the operation and administration of the Plan. The Company had contracted with Fidelity Management Trust Company (Fidelity) to act as the trustee, and a third-party administrator affiliated with Fidelity to process and maintain the records of participant data. Substantially all expenses incurred for administering the Plan were paid by the Company.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Basis of accounting - The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

BLUEARC CORPORATION

401(k) AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2012, DECEMBER 31, 2011 AND 2010

Forfeited accounts - Forfeited nonvested accounts could have been used to reduce future employer contributions or pay Plan administrative expenses.

Investment valuation and income recognition - The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for discussion of fair value measurements.

Purchases and sales of securities were recorded on a trade date basis. Interest income was recorded on the accrual basis. Dividends were recorded on the ex-dividend date. Net appreciation (depreciation) included the Plan's gains and losses on investments bought or sold as well as held during the period.

Notes receivable from participants - Notes receivable from participants (notes receivable) were measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable were reclassified as distributions based upon the terms of the Plan document.

Income taxes - The Plan had adopted a prototype plan that had received an opinion letter from the Internal Revenue Service. The Company believes that the Plan was operated in accordance with, and qualified under, the applicable requirements of the Code and related state statutes, and that the trust, which formed a part of the Plan, was exempt from federal income and state franchise taxes.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan had taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. No uncertain positions have been identified that would require recognition of a liability (or asset) or disclosure in the financial statements as of January 31, 2012 and December 31, 2012. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan was no longer subject to income tax examinations for years prior to 2008.

Subsequent events - The Plan has evaluated subsequent events through July 17, 2012, which is the date the financial statements were available to be issued

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2012, DECEMBER 31, 2011 AND 2010

NOTE 2 - FAIR VALUE MEASUREMENTS

The fair value measurements standard establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2012, DECEMBER 31, 2011 AND 2010

Following is a description of the valuation methodology used for assets measured at fair value. There was no change in the methodology used at December 31, 2011 and 2010.

Mutual funds and money market fund: Valued at the net asset value of shares held by the Plan at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method was appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could have resulted in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	<u>Assets at fair value as of December 31, 2011</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund	\$ 685,779	\$ -	\$ -	\$ 685,779
Mutual funds:				
Bond funds	554,482			554,482
Growth funds	2,523,165			2,523,165
Value funds	831,678			831,678
Blend funds	1,092,920			1,092,920
Target date funds	3,021,513			3,021,513
Other funds	<u>451,772</u>			<u>451,772</u>
Total mutual funds	<u>8,475,530</u>	<u>-</u>	<u>-</u>	<u>8,475,530</u>
Total assets at fair value	<u>\$9,161,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$9,161,309</u>

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2012, DECEMBER 31, 2011 AND 2010

	<u>Assets at fair value as of December 31, 2010</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund	\$ 637,901	\$ -	\$ -	\$ 637,901
Mutual funds:				
Bond funds	356,093			356,093
Growth funds	2,337,325			2,337,325
Value funds	718,155			718,155
Blend funds	1,011,858			1,011,858
Target date funds	2,170,835			2,170,835
Other funds	<u>404,853</u>			<u>404,853</u>
Total mutual funds	<u>6,999,119</u>	<u>-</u>	<u>-</u>	<u>6,999,119</u>
Total assets at fair value	<u>\$7,637,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,637,020</u>

NOTE 3 - RELATED PARTY TRANSACTIONS

Certain Plan investments were managed by an affiliate of Fidelity, the trustee of the Plan. Any purchases and sales of these funds were performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, were permitted under the provisions of the Plan and were specifically exempt from the prohibition of party-in-interest transactions under ERISA.

BLUEARC CORPORATION

401(k) AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2012, DECEMBER 31, 2011 AND 2010

NOTE 4 - PARTICIPATION AND BENEFITS

Participant contributions - Participants could have elected to have the Company contribute their eligible pre-tax compensation to the Plan up to the amount allowable under the Plan document and current income tax regulations. In addition, the Plan permitted the automatic enrollment of eligible employees in the Plan with a contribution of 3% of eligible compensation, unless the employee affirmatively elected otherwise. The contribution rate would automatically increase each year by 1%, until a rate of 6% was reached. Participants who elected to have the Company contribute a portion of their compensation to the Plan agreed to accept an equivalent reduction in taxable compensation. Contributions withheld were invested in accordance with the participant's direction. Effective January 1, 2012, contributions to the Plan were no longer allowed and former participants in the Plan who became eligible participants in the HDS Plan could elect to participate in the HDS Plan effective January 1, 2012.

Participants were also allowed to make rollover contributions of amounts received from other tax-qualified employer-sponsored retirement plans. Such contributions were deposited in the appropriate investment funds in accordance with the participant's direction and the Plan's provisions.

Employer contributions - The Company was allowed to make matching contributions as defined in the Plan and as approved by the Board of Directors. The Plan also allowed a discretionary profit sharing contribution. No matching contributions or discretionary profit sharing contributions were made for the period from January 1, 2012 through January 31, 2012, and for the years ended December 31, 2011 and 2010.

Vesting - Participants were immediately vested in their contributions. Participants were fully vested in any employer matching and profit sharing contributions allocated to their account after four years of credited service.

Participant accounts - Each participant's account was credited with the participant's contribution, Plan earnings or losses and an allocation of the Company's contribution, if any. Allocation of the Company's contribution was based on participant contributions or eligible employee compensation, as defined in the Plan.

BLUEARC CORPORATION 401(k) AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS JANUARY 31, 2012, DECEMBER 31, 2011 AND 2010

Payment of benefits - Upon termination, the participants or beneficiaries could have elected to leave their account balance in the Plan, or could have received their total benefits in a lump sum amount or annual, semiannual, quarterly or monthly installments over a period of years equal to the value of the participant's vested interest in their account. The Plan allowed for the automatic distribution of participant vested account balances that did not exceed \$5,000.

Notes receivable from participants - The Plan allowed participants to borrow not less than \$1,000 and up to the lesser of \$50,000 or 50% of their vested account balance. The notes receivable were secured by the participant's vested balance. Such notes receivable bore interest at the available market financing rates and had to be repaid to the Plan within a five-year period, unless the notes receivable were used for the purchase of a principal residence in which case the maximum repayment period could have been longer. The specific terms and conditions of such notes receivable were established by the Committee. Outstanding notes receivable at December 31, 2011 carried interest rates ranging from 4.25% to 8%.

NOTE 5 - CERTIFIED INFORMATION

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at January 31, 2012, December 31, 2011 and 2010, and net realized and unrealized appreciation or depreciation, interest and dividends for the period January 1, 2012 through January 31, 2012, and for the years ended December 31, 2011 and 2010, were obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by Fidelity in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2012, DECEMBER 31, 2011 AND 2010

The following presents the fair values of investment funds that represent 5% or more of the Plan's net assets at December 31:

	<u>2011</u>	<u>2010</u>
Fidelity Retirement Money Market Fund	\$685,779	\$ 637,901
Fidelity Value Fund	*	397,492
Fidelity Diversified International Fund	*	452,071
Fidelity Freedom 2040 Fund	671,686	577,809
Fidelity Freedom 2025 Fund	925,467	700,823

*Less than 5% of the Plan's net assets at year end.

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	Period ended January 31, <u>2012</u>	Years ended December 31, <u>2011</u>	<u>2010</u>
Mutual funds	<u>\$438,899</u>	<u>(\$567,503)</u>	<u>\$939,763</u>

SUPPLEMENTAL SCHEDULE

BLUEARC CORPORATION
401(k) AND PROFIT SHARING PLAN

EIN: 77-0526726
PLAN #001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Current value
* Fidelity Retirement Money Market Fund	Money Market Fund	\$ 685,779
PIMCO Total Return Admin	Mutual Fund	175,348
Columbia Mid Cap Growth Z	Mutual Fund	126,806
PIMCO Low Duration Admin	Mutual Fund	32,664
American Century Equity Income	Mutual Fund	16,786
Ridgeworth Mid Cap Value I	Mutual Fund	414,941
* Fidelity Fund	Mutual Fund	80,335
* Fidelity Puritan Fund	Mutual Fund	232,877
* Fidelity Value Strategies Fund	Mutual Fund	146,360
* Fidelity Contra Fund	Mutual Fund	416,466
* Fidelity Equity Income Fund	Mutual Fund	105,910
* Fidelity Growth Company Fund	Mutual Fund	367,385
* Fidelity Intermediate Bond	Mutual Fund	346,470
* Fidelity OTC Portfolio Fund	Mutual Fund	212,495
* Fidelity Real Estate Investments Fund	Mutual Fund	209,155
* Fidelity Blue Chip Growth Fund	Mutual Fund	294,261
* Fidelity Low-Priced Stock Fund	Mutual Fund	327,983
* Fidelity Diversified International Fund	Mutual Fund	448,096
* Fidelity Dividend Growth Fund	Mutual Fund	115,258
* Fidelity Export and Multinational Fund	Mutual Fund	185,571
* Fidelity Mid-Cap Stock Fund	Mutual Fund	298,972
* Fidelity Large Cap Stock Fund	Mutual Fund	104,041
* Fidelity Freedom Income Fund	Mutual Fund	9,740
* Fidelity Freedom 2000 Fund	Mutual Fund	38,255
* Fidelity Freedom 2010 Fund	Mutual Fund	45,515
* Fidelity Freedom 2020 Fund	Mutual Fund	409,793
* Fidelity Freedom 2030 Fund	Mutual Fund	358,787
* Fidelity Small Cap Discovery Fund	Mutual Fund	174,086
* Spartan Total Market Index Fund	Mutual Fund	152,226
* Spartan Extended Market Index Fund	Mutual Fund	97,171
* Spartan International Index	Mutual Fund	173,587
* Fidelity Fifty Fund	Mutual Fund	69,072
* Fidelity Freedom 2005 Fund	Mutual Fund	9,553
* Fidelity Freedom 2040 Fund	Mutual Fund	671,686
* Fidelity Freedom 2015 Fund	Mutual Fund	97,763
* Fidelity Freedom 2025 Fund	Mutual Fund	925,467
* Fidelity Freedom 2035 Fund	Mutual Fund	390,111
* Fidelity Small Cap Value Fund	Mutual Fund	119,955
* Fidelity Freedom 2045 Fund	Mutual Fund	47,644
* Fidelity Freedom 2050 Fund	Mutual Fund	26,939
* Participant loans	Interest rates ranging from 4.25% to 8%	172,077
		Total
		<u>\$9,333,386</u>

* Party-in-interest