



**PIVOT3 LAUNCHES COST-EFFECTIVE CLUSTERED IP STORAGE SOLUTION
BASED ON INDUSTRY'S FIRST DISTRIBUTED
RAID ARCHITECTURE**

Five Times Higher Performance at Half of the Cost of Current High-Availability Solutions; No
Up-Front Costs and a Pay-as-You-Grow Model

Spring, Texas – June 12, 2007 – Pivot3 Inc, the inventor of virtual distributed RAID, today announced its entry into the scalable network storage market with an IP-based storage cluster that delivers up to five times the performance at half of the cost of competitive solutions. The Pivot3 RAIGE™ (RAID Across Independent Gigabit Ethernet) Storage Cluster is the first system based on the ground-breaking Pivot3 block-level virtualization architecture that reduces storage infrastructure costs by up to 50 percent while significantly increasing scalability and data availability.

“We want to be able to scale to hundreds of thousands of subscriber sites and millions of cameras,” stated Rick Bentley, founder and CEO of Connexed Technologies, a hosted video surveillance provider and a Pivot3 customer. “Pivot3 has brought to fruition the type of storage solution we have only envisioned. The flexibility of the IP-based storage solution from Pivot3 is a perfect fit for data-intensive environments such as video surveillance.”

“With block-level virtualization, IT organizations are no longer dependent on traditional storage and RAID controllers, translating into great performance and cost benefits. They are not limited by a controller that is too small and they don't have to pay up-front for a controller that is too big,” said Robert Fernander, chief executive officer of Pivot3. “Pivot3 transforms a standards-based hardware investment into enterprise-class data protection.”

Pivot3 is currently building partnerships in the burgeoning digital video surveillance market, where storage spending growth is in excess of 60 percent a year and represents half or more of the cost of a large deployment.

“Often an afterthought, storage has become one of the overriding costs in modern implementations,” said Bob Carreon, chief executive officer at Insight Video Net, a provider of video management software systems and a Pivot3 partner. “With Pivot3 storage, our customers are now able to store and manage more video data at less cost. While the pay-as-you-grow format is an important factor for our customers, the high-performance and ease-of-use are often a critical aspect for public sector organizations. These organizations may not have storage specialists and need a solution that will simplify management while supporting their strict requirements. With Pivot3, they get the data protection required by their business while experiencing high performance and scaling capabilities.”

What Analysts Are Saying

“By leveraging off-the-shelf components and utilizing a highly parallelized I/O architecture, Pivot3 RAIGE Storage Cluster delivers a much better cost-per-capacity and price/performance ratio than competitive products,” said Arun Taneja, founder and analyst of Taneja Group. “Unlike other block-based clustered storage products, Pivot3 is a ‘truly’ distributed RAID architecture. We see this technology as shaking up the category and raising the bar for what constitutes a high-performance, easy-to-use, fault-tolerant IP-based storage system.”

“Pivot3 offers a solution that helps organizations cost-effectively handle growing volumes of video data and can be easily, non-disruptively deployed in high-profile environments without the need of excessive IT involvement,” commented Laura Taylor, president and CEO of Relevant Technologies, a security analyst firm. “RAIGE is a great asset for every IT department, because it protects vital data against unexpected disasters while keeping the management process simple and preserving customers’ current investments.”

The RAIGE Architecture

The Pivot3 RAIGE Storage Cluster, which is designed for both Windows and Linux environments, breaks the performance and capacity limits of physical RAID devices by using block-level virtualization and completely eliminating specialized RAID hardware and storage controllers. Space-efficient data protection is supported across multiple networked storage nodes, called Databanks, which are built using industry-standard x86 servers and disk drives and are connected via common Gigabit Ethernet. Databanks are added to cost-effectively scale capacity

to hundreds of terabytes. Each Databank adds processing power, cache, and network ports, contributing to the overall increase in performance and bandwidth.

CUSTOMER BENEFITS

Data Protection: RAIGE eliminates the need and expense of replicating data across Databanks while still protecting against a drive, network or Databank failure. Multi-node data protection provides two to three times better performance during failure events than with traditional two-way controllers.

Superior Price/Performance: Every client has direct access to every Databank – no node-hopping required – providing lower latencies and highly parallel throughput. As drives and Databanks of any size can be added non-disruptively, Pivot3 offers superior investment protection. RAIGE is based on industry-standard building blocks, not expensive, inflexible custom ASICs and custom RAID controllers, resulting in a lower price-per-TB.

High Availability: Data recovery times are five to ten times faster with system-wide parallel processing and a proprietary algorithm that optimizes the rebuild process. RAIGE supports on-the-fly configuration changes; data is continuously available through volume provisioning changes.

High Ease-of-Use and Flexibility: Unlike the direct attached or server-based storage often used for video surveillance, Pivot3 storage can be virtually assigned when and where it is required, without the need for re-cabling. Also, no special IT skills are required to install and manage RAIGE. Databanks are automatically discovered and can be assigned to a new virtual array or added to an existing virtual array for maximum flexibility.

Each Databank contains twelve 500 GB or 750 GB drives for a raw capacity of 6 TB or 9 TB.

Pricing and Availability

Pivot3 RAIGE is available now starting at an MSRP of US\$17,499.

About Pivot3

Founded in 2003, Pivot3 has developed the first successful implementation of distributed block-based data protection utilizing software-based virtual RAID controllers. The company's block-based infrastructure virtualization solutions reduce costs by up to 50 percent and allow systems to deliver up to five times the performance with superior data protection. With several patents pending, the company boasts strong intellectual property and is backed by Lightspeed Venture Partners and InterWest Partners. For more information, please call 1-877-5-PIVOT3 or visit the company's website at www.pivot3.com

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