



PIVOT3 RAISES \$24 MILLION IN THIRD ROUND OF FUNDING

Investors to Capitalize on Pivot3 Leadership in Video Surveillance Storage Market

Spring, Texas – January 28, 2008 – Pivot3 Inc, the inventor of high-definition storage based on distributed RAID, today announced that it has received \$24 million in series C venture funding led by Mesirow Financial Capital Partners IX. Participation in this round also included new investor Silver Creek Ventures, and existing investors Lightspeed Venture Partners and InterWest Partners.

“Pivot3 clustered storage has already achieved early leadership in providing networked storage for the video surveillance market,” said Robert Fernander, CEO of Pivot3. “These new funds will be used to accelerate the Pivot3 lead in surveillance and to position our block-level virtualization technology into new markets. The IP-based solutions from Pivot3 have been successfully installed as part of video surveillance deployments within the gaming, municipal government, law enforcement, and federal government sectors.”

A Strong Technology Advantage

Storage industry veteran Bill Galloway, Pivot3 co-founder and CTO, helped Pivot3 pave the way with a new storage architecture uniquely suited to video surveillance and other data-intensive applications. “Early clustered storage implementations have focused on file-level support. Maximum performance and cost leverage, however, can only come from virtualization at the block level. Our block-level virtualization solution, Pivot3 RAIGE™ (RAID Across Gigabit Ethernet), gives customers five times or more the performance of traditional solutions at a lower cost. RAIGE performance exceeds Fibre Channel or 10 Gigabit Ethernet performance without requiring upgrades to a new network infrastructure.”

A Hot Market Draws New Investors

Founded in 1937, Mesirow Financial, the sponsor of Mesirow Financial Capital Partners IX, a new Pivot3 investor, is a diversified financial services firm with headquarters in Chicago, Illinois. “We look for companies that can have a high impact in a growing market. We chose Pivot3 after having discussions with their current customers and partners and carefully assessing the significant market opportunity,” said Daniel Howell, senior managing director at Mesirow Financial. “We are excited to lead this round. Pivot3 has established impressive customer momentum since its launch in mid 2007. With a successful team from both the data storage and physical security markets, Pivot3 is a company already leading the high-growth market formed at the convergence of storage and physical security.”

“We are pleased to add Mesirow Financial Capital Partners IX and Silver Creek Partners as new investors while keeping our existing investment partners deeply involved. This new round of funding further validates our strategy and unique focus, and provides sufficient resources to achieve our corporate growth and customer service objectives,” added Fernander.

Industry Analysts Applaud Pivot3 Innovation and Strategy

“Storage costs can be up to 50 percent of a video surveillance installation,” said Dilip Sarangan, research analyst for Frost & Sullivan. “We see this new round of funding as a testament to the significant market opportunity that Pivot3 has as a solid, innovative data storage company, with IP-based products designed to meet its customers’ physical security requirements.”

“For video surveillance applications, requirements such as high scalability and availability at an affordable entry price point, allowing organizations to pay as their data needs grow, can only be achieved with the right IP-based storage solution,” said Arun Taneja, founder and analyst of Taneja Group. “Pivot3’s unique focus on the physical security market shows the company’s commitment to solving customer needs driven by

the latest megapixel video applications. The company's easy-to-use, IP-based storage system helps organizations achieve a better cost-per-capacity and price/performance ratio than many competitive products while offering increased protection from disk drive or node failure."

About Pivot3

The Pivot3 block-based infrastructure virtualization solutions, targeting various data-intensive applications such as video surveillance, reduce costs by up to 50 percent and 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 ,InterWest Partners, Mesirow Financial Capital Partners IX, and Silver Creek Ventures. For more information, please call 1-877-5-PIVOT3 or visit the company's website at www.pivot3.com

Pivot3 RAIGE is a trademark or registered trademark of Pivot3, Inc. All other brands or products are trademarks or registered trademarks of their respective holders and should be treated as such.

#

Company Contact:
Jeffrey Bell
Pivot3, Inc.
(650) 391-1304
jeffreyb@pivot3.com

PR Agency Contact:
Georgiana Comsa
ClassyTech Public Relations
(408) 435-1500
georgiana@classytech.com