

SANRAD ACHIEVES RECORD WORLDWIDE SALES FOR STORAGE VIRTUALIZATION SOLUTIONS

SANRAD Scales to Meet Demand with the Appointment of Kim Tchang, Vice President of Marketing and Tracy Hawkey, Vice President of Sales

MOUNTAIN VIEW, Calif. - October 22, 2007 - SANRAD Inc., a leading supplier of Storage Area Network (SAN) connectivity and management solutions, today announced that it has experienced record worldwide sales and customer expansion through its North American channel sales network for the quarter ended September 30, 2007. The Company's explosive Q3 over Q2 revenue growth of 87 percent is being driven by increased enterprise demand for SANRAD's unique technology solution, which enables customers to harness the power of low-cost iSCSI SAN to consolidate servers and virtualize storage while leveraging their existing storage hardware investment.

To support this escalating demand and future channel sales initiatives for SANRAD's storage consolidation solutions, the company has added two industry experts and seasoned channel veterans, Kim Tchang as vice president of marketing and Tracy Hawkey as vice president of sales, to its executive team.

"Dave's vision for the company, including his laser focus on a huge market opportunity, and the company's commitment to a channel-only model have already made a difference," said Kevin Weiss, president of DSN Group, an IT solution provider in Chicago. "Bringing on Kim and Tracy to join his executive team is just what the channel needs to propel SANRAD into its next chapter of growth."

"While many large and mid-sized enterprises already have Fibre Channel SAN solutions, cost and complexity has prohibited these organizations from integrating all of their servers into the SAN infrastructure," said Tony Asaro, senior analyst, Enterprise Strategy Group. "Companies are turning to server and storage virtualization for lower administrative costs, increased mobility, and the ability to accelerate their application setup and tear-down. Open, low-cost solutions, such as the SANRAD V-Switch, enable these companies to easily support multi-vendor storage hardware, and ensure that all of an organization's data is incorporated into the SAN with minimum disruption and high uptime."

The dramatic rise in server virtualization deployments has fueled the need for SANs, just as iSCSI has matured. This parallel trend has bolstered global sales for SANRAD's V-Switch line. With nearly 700 customers worldwide, SANRAD is focused on building its North American channel network to capitalize on the accelerated demand for its enterprise-class iSCSI SAN solutions, which address this need at a fraction of the cost of traditional offerings.

"With over 200 servers, 2,000 clients and 8,000 students, we had to find a robust yet economical solution to provide our VMware environment with the same level of access to storage which our existing campus clusters enjoy," said Ivan Fetch, IT manager at the

University of Denver. “Open architecture, clusterability, powerful mirroring and disaster recovery without user intervention, quality customer service, and the ability to fit our budget made SANRAD the obvious choice for our project.”

A New Team to Scale SANRAD

CEO Dave DuPont has recruited two industry veterans to join him in growing SANRAD into the industry-leading provider of low-cost SAN connectivity and management solutions it is poised to become.

Kim Tchang, a marketing executive with over 25 years of experience in the IT industry, has a proven track record in executing marketing and channel strategies to achieve business goals. Prior to joining SANRAD, Tchang directed marketing for NetApp’s StoreVault Division which launched a brand new network storage line, created a focused channel program and outbound marketing campaigns to reach the fast-growing Small/Medium Business market. Tchang also led worldwide channel marketing at Hitachi Data Systems and several new start-up businesses at Hewlett-Packard. Among her accomplishments at HP was the creation of its first SMB sales and marketing organization, which reached over \$2 billion in revenues within 2 years. Tchang holds a B.A. from Yale University and an M.B.A. from the Wharton School of Business.

Tracy Hawkey, also a 25-year high-technology veteran, has held a range of senior management positions with industry-leading companies such as EMC, Network Appliance, StorageTek, and Boeing. He has been a leader in sales, business development, strategic planning, and professional services, and has a proven track record for managing sales teams to exceed revenue goals. Prior to joining SANRAD, Tracy was vice president of sales at Knowledge Factor, where revenues grew 400 percent between 2005 and 2006. He holds a B.S. in Business Administration and Computer Information Management from Colorado State University.

“SANRAD is at an inflection point in its growth phase,” said Dave DuPont, CEO, SANRAD. “With robust and innovative technology targeted directly at a rapidly escalating market category, SANRAD has embarked on its next chapter of success. I am pleased to have Kim and Tracy join the SANRAD management team. Their diversified and deep skill sets will have a profoundly positive impact on our continued expansion.”

About SANRAD, Inc.

SANRAD transforms the way enterprises implement and manage storage solutions by providing every server with low-cost, open and heterogeneous SAN connectivity and management. SANRAD gives enterprise IT managers an economical solution that provides robust disaster recovery, non-disruptive data migration, and easy SAN inclusion. SANRAD technology interconnects different storage hardware arrays and server operating systems without additional infrastructure requirements. Now in their third generation, SANRAD V-Switch solutions use unique network architecture to

deliver standard IP and FC connectivity with integrated storage virtualization and management. Nearly 700 customers in more than 25 countries have deployed SANRAD open architecture solutions for complete storage flexibility. Headquartered in the San Francisco Bay Area, SANRAD is privately held and funded by Sequoia Capital, Foundation Capital and the RAD Group. For more information or to find a SANRAD reseller, please visit www.sanrad.com.