

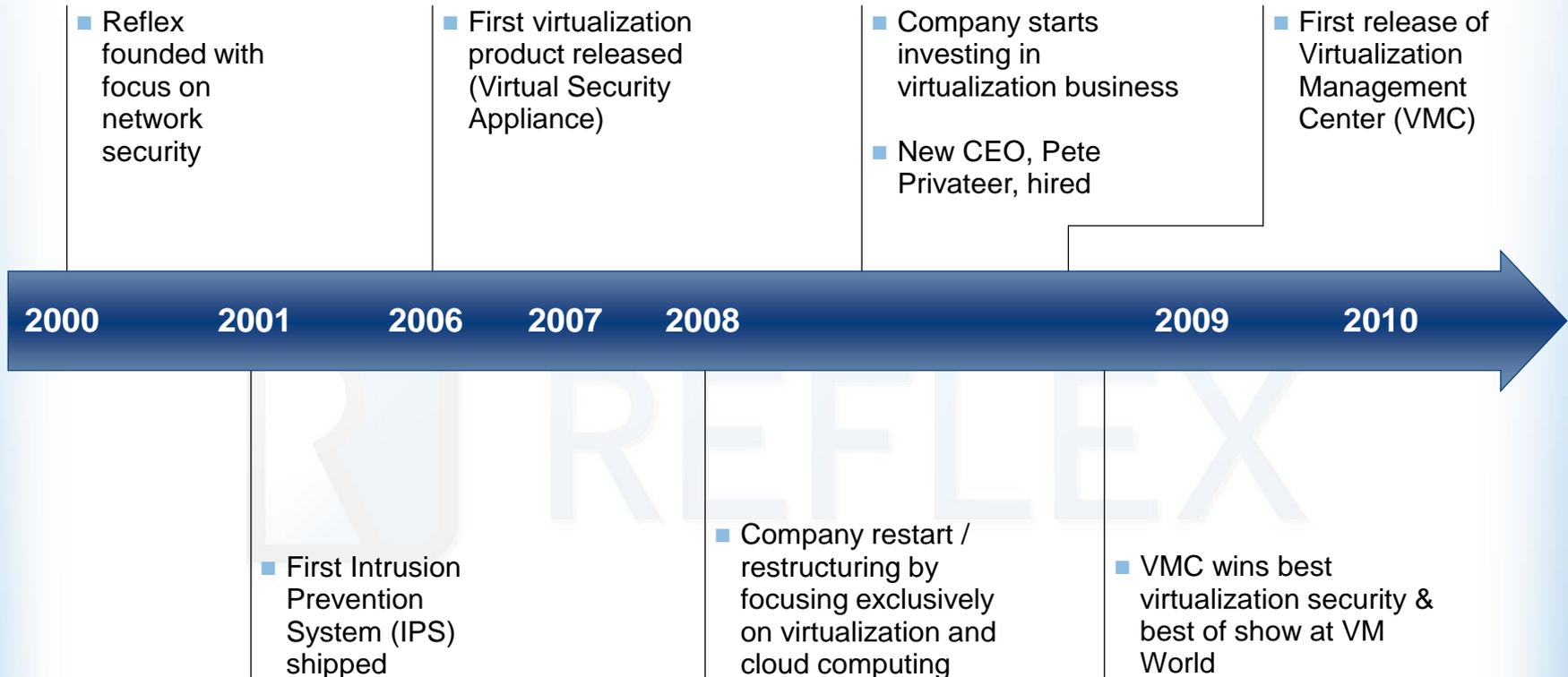


**REFLEX**

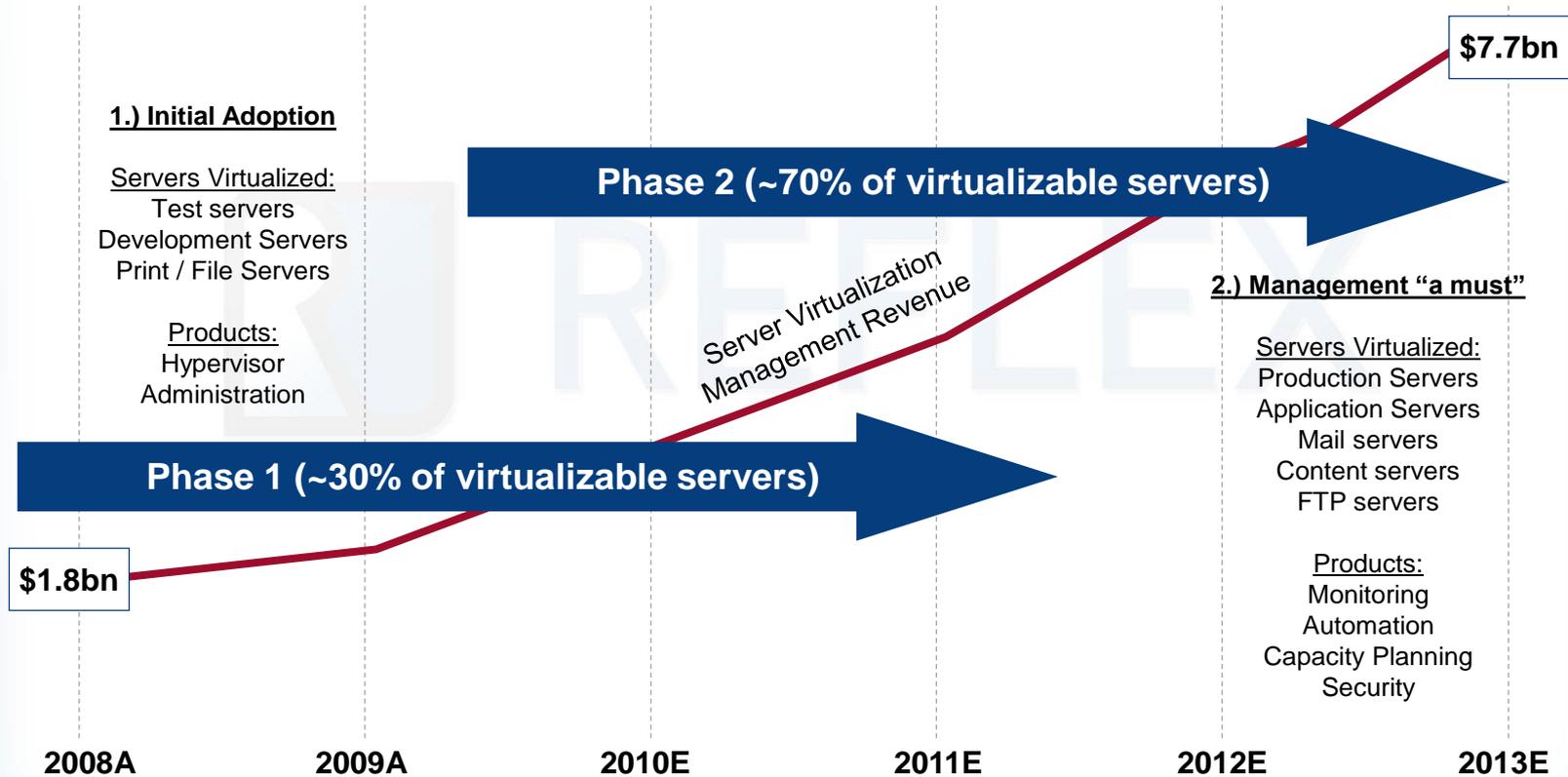
**Reflex Overview**  
September 2010

- 1. Company overview**
- 2. Virtualization & Cloud infrastructure management market**
- 3. Product architecture**
- 4. Product positioning/Product Overview**
- 5. New features**
- 6. Customer traction**
- 7. Q&A**



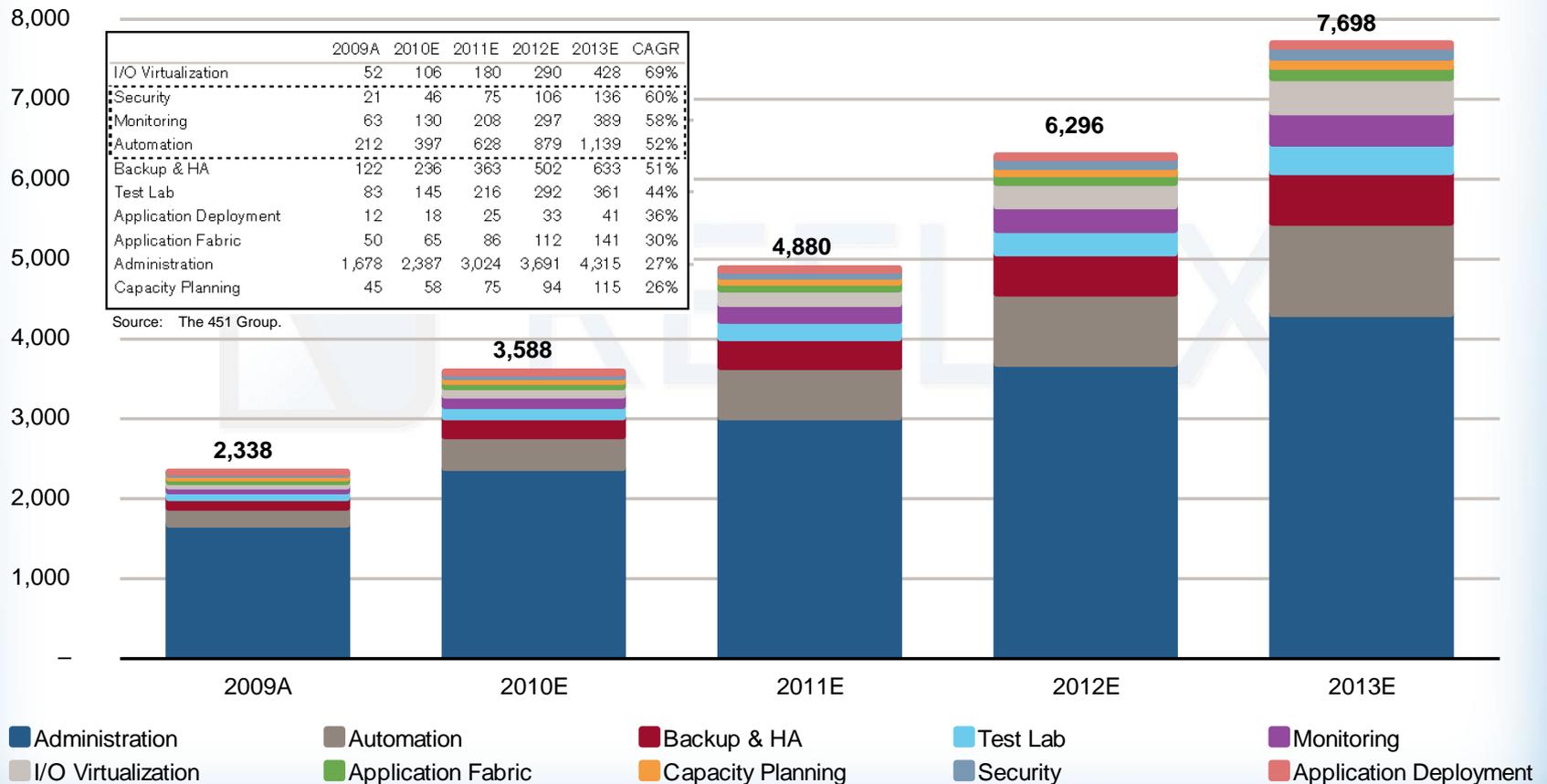


- Witnessing migration from Phase I to Phase II as increased virtualization adoption leads to enhanced virtualization management needs
- During Phase I, vendors solved client problems with virtualization adoption, Phase II addresses the problems associated with managing the newly adopted virtualized environments
- As end users are moving more towards Phase II, vendors with more comprehensive product offering will be set at an advantage
- According to The 451 Group, among the most requested management tools and those with highest revenue growth will be monitoring, automation and security



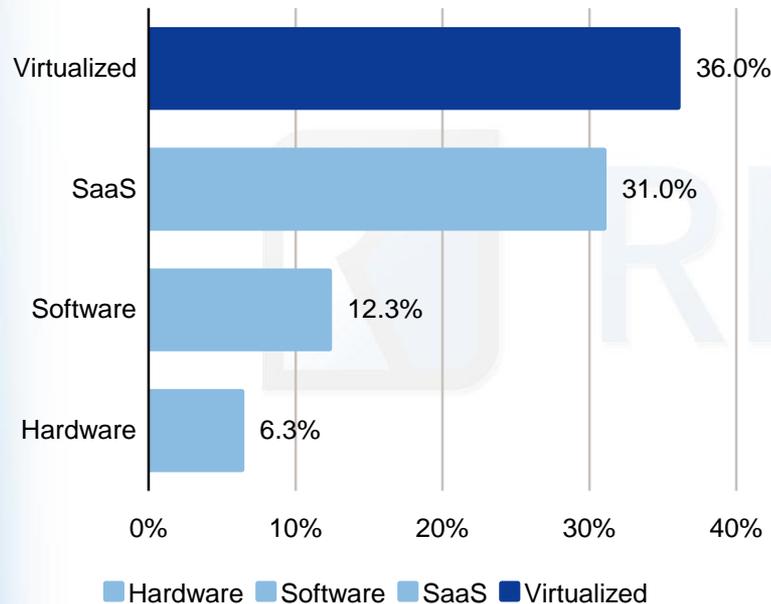
Source: The 451 Group.

- Virtualization Management is the largest component of revenue in the broader Virtualization Market (valued \$4.3bn in 2010)
  - Accounts for 83% of total revenues in 2010; will increase as virtualization management plays an increasingly dominant role vs. virtualization infrastructure (hypervisor)
- Within the virtualization management market, **Security, Monitoring and Automation** are among the fastest growing sub-segments
  - 2009–2013 CAGRs of 60%, 58% and 52% respectively.
  - Comprise key functionality for the measurement, monitoring, automation and security of workflow within virtualized environments

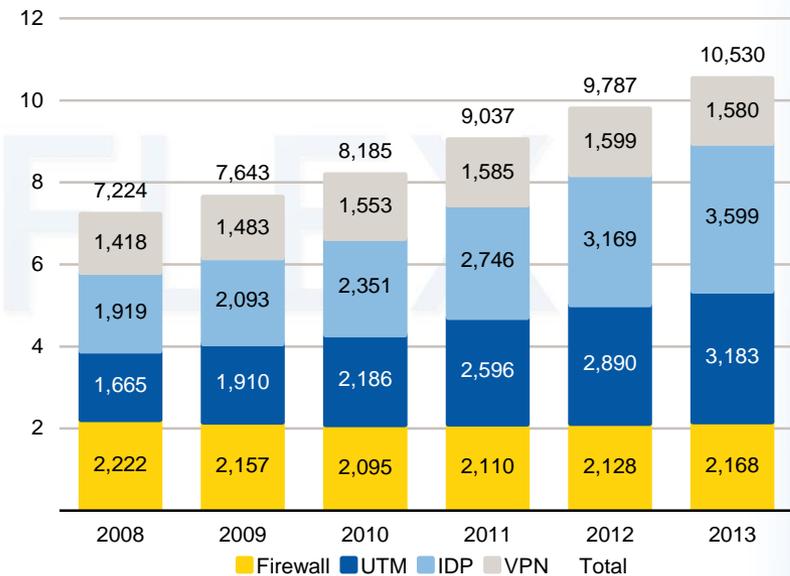


- The Network Security market, valued at \$7.6bn in 2009 by IDC, is an equally dynamic and growing market
  - Expected growth of 36% on 2009-2013 CAGR basis
- The sub-segment of Intrusion, Detection and Prevention (IDP), which currently accounts for 28% of the overall Network Security market, is expected to grow at a substantially higher rate than other network security functions with a 2009 – 2013E CAGR of 15%

(2009 – 2013E CAGR %)



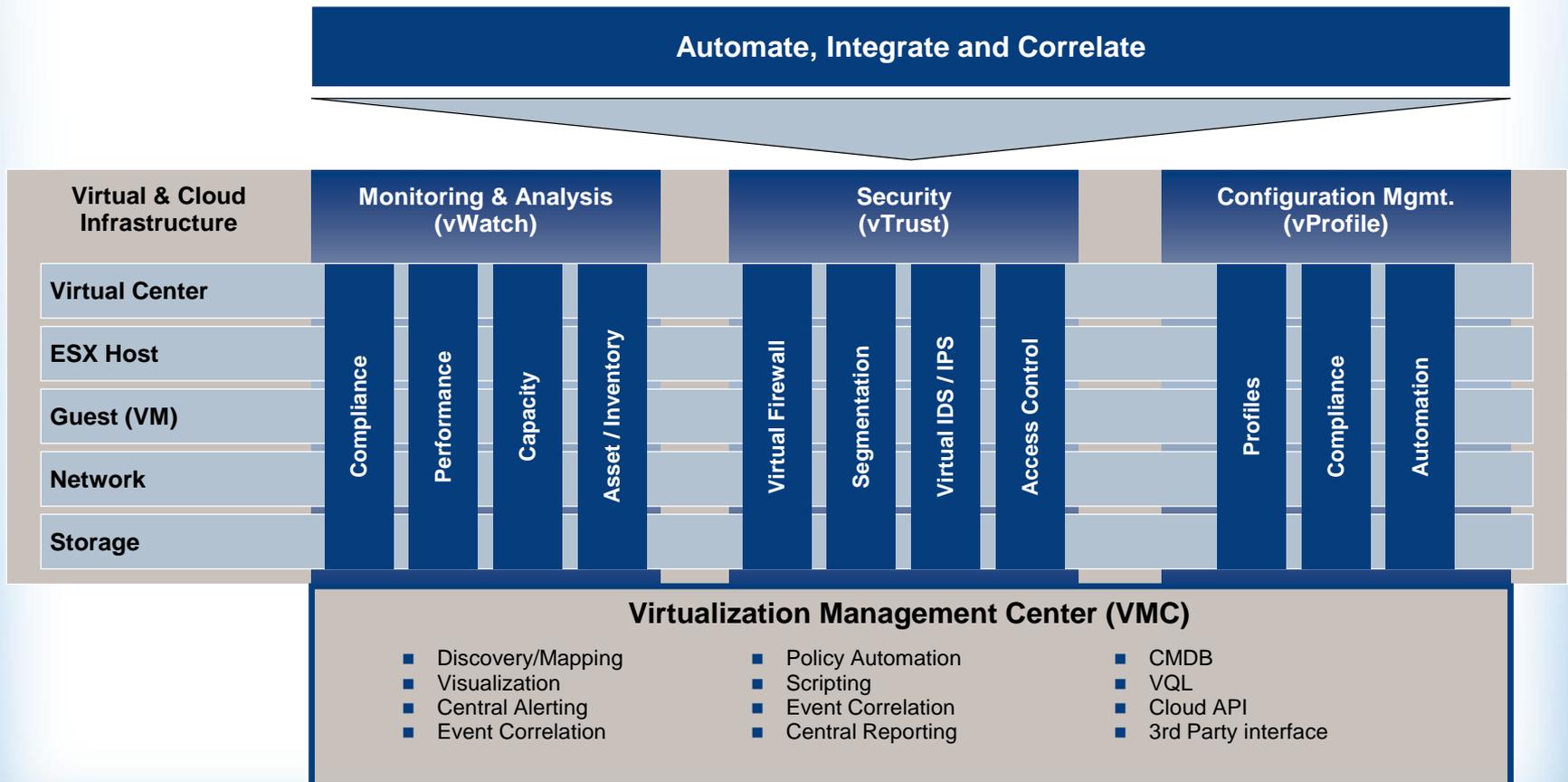
(\$ in millions)



Source: IDC

Note: Figures refer to global revenue estimates. UTM = Unified Threat Management, ID = Intrusion, Detection and Prevention, VPN = Virtual Private Network.

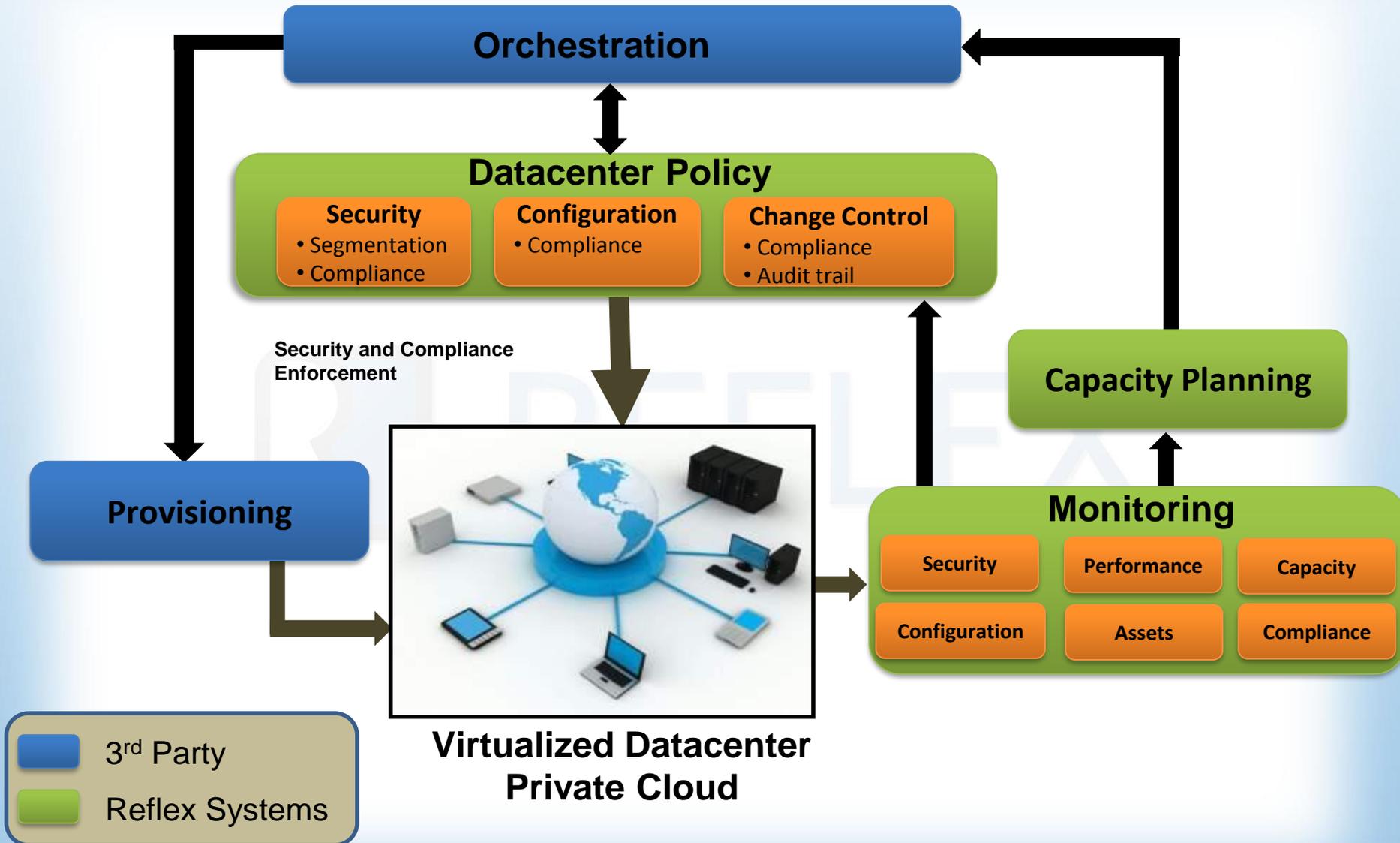
- Reflex's Virtualization platform provides a comprehensive management and automated policy automation platform for managing virtual , private cloud, or public cloud infrastructures
- Provides horizontal (across management disciplines) and vertical (across the virtual "stack") integration and policy enforcement
- Enables security, configuration management, monitoring, compliance, and policy automation through a single pane of glass



- Designed to provide customers with the essential management capabilities needed to effectively:
  - manage and secure the complex, dynamic virtual environment
  - capitalize on the existing virtualization investment
  - reduce cost through efficient management
  - minimize downtime
  - maintain a reliable virtualized infrastructure running critical business applications



Reflex is innovative in its approach to integrating security, compliance and management of the virtual environment by providing visibility, correlation, and control through a single pane of glass



- Fully integrated component of the Reflex VMC platform
- Monitoring and analysis module which provides a comprehensive overview of the state of the virtual environment at any given time
- Through real-time and historical visual reporting, configuration change monitoring, and extensive correlation, vWatch provides administrators with the visibility they need
- The ability to visualize both the virtual and underlying hardware infrastructure has become mission critical for IT administrators

## Functionalities:

Virtual Flow Data

Historical tracking

Physical-to-Virtual

Configuration

Compliance

Root-cause Analysis



**vWatch is a lean, agentless solution, making it fast to deploy and simple to integrate into any data center environment**

- Fully integrated component of the Reflex VMC platform
  - Designed to be integrated directly with the VMWare VMsafe platform technology
- Provides dynamic policy enforcement for virtual environments deployed locally and in external cloud environments
- Operating at the hypervisor kernel level, vTrust leverages the tightly integrated VMsafe component of VMware vSphereTM 4
- Facilitates adaptive, extensible policies that allow administrators to address complex business, information security and compliance requirements within the virtual environment

## Functionalities:

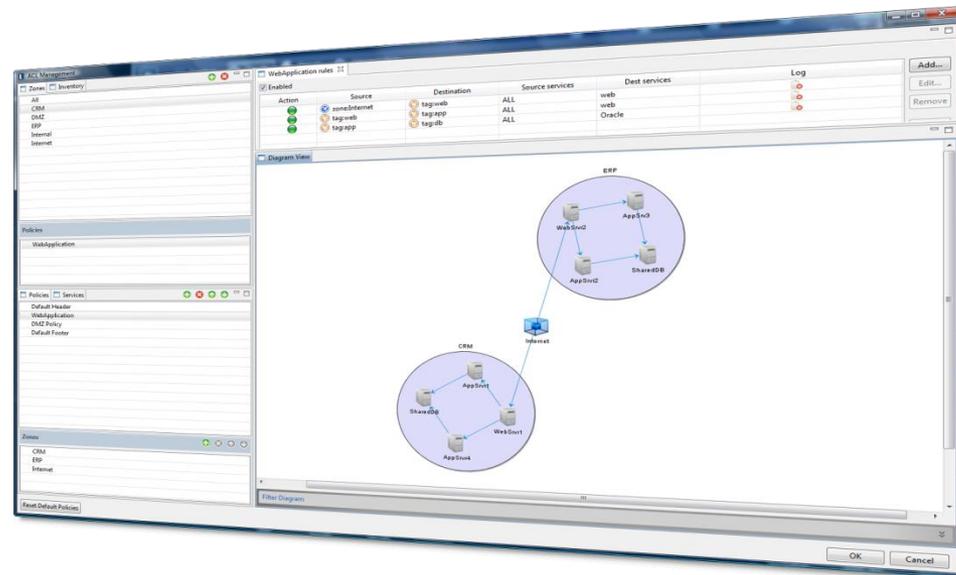
Dynamic Policy Enforcement and Management

Policy Extends into the Cloud

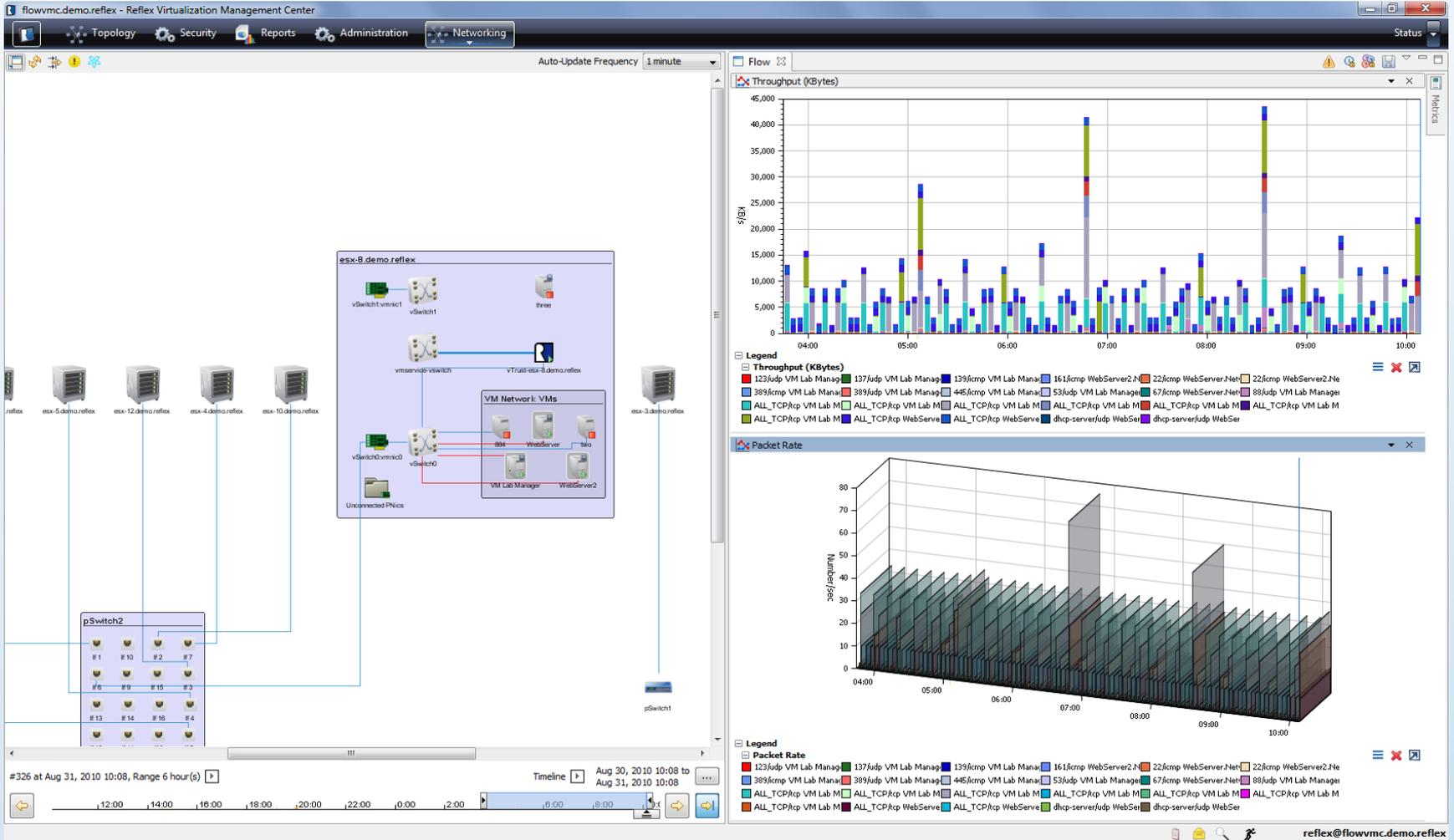
Virtual Segmentation

Virtual Quarantine

Virtual Networking Policies



Prior to the introduction of vTrust, virtualization administrators did not have at their disposal a unified tool by which to properly segment their virtual environment.



Prior to the introduction of vTrust, virtualization administrators did not have at their disposal a unified tool by which to properly segment their virtual environment.

- vProfile provides an API that enables service providers and enterprises to provision and manage security and compliance without the dependency on expensive external hardware
- vProfile configuration management is the only solution on the market today that provides 'difference visualization', and plots VM configuration changes according to a graphical, easy to understand "heatmap" interface

## Functionalities:

Apply Baseline Profile Configuration

Heatmap and Customized Pivot Tables

Ad-Hoc and Scheduled Remediation

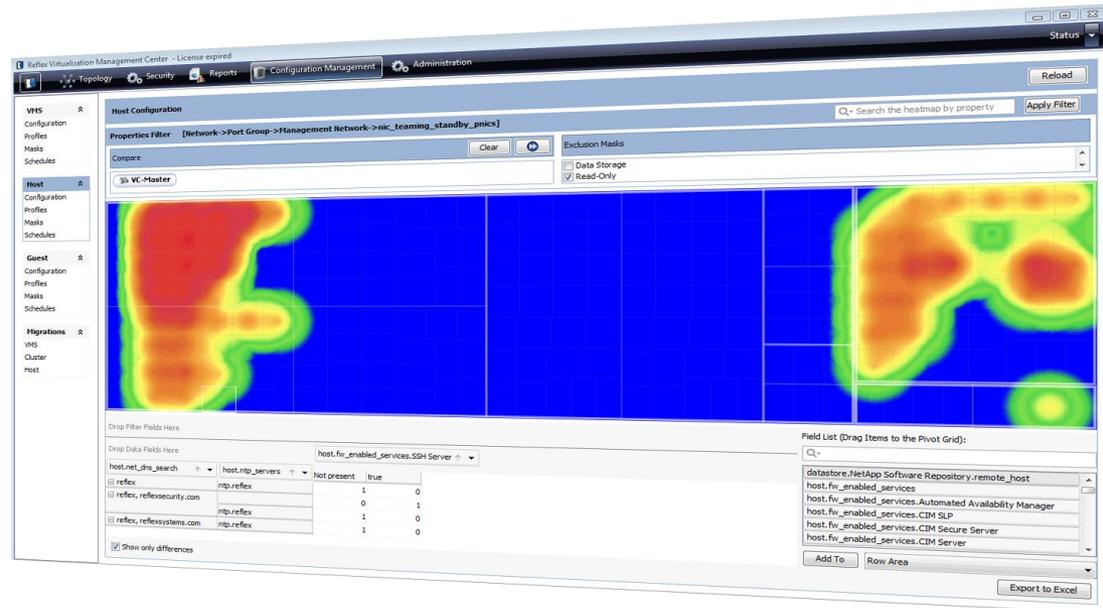
VQL Configuration Queries

Tiered Configuration Profiles

Historical Profile Definition

Batch Modification

IP Pool Allocation



Provides customers with the ability to combine management and security functionality, and manage all tasks through a single pane of glass.



- The competitive advantage which Reflex provides has been validated by blue chip customers including premier government entities, academic institutions, and corporations.

## Government, Education, & Healthcare



**DEFENSE INTELLIGENCE AGENCY**  
COMMITTED TO EXCELLENCE IN DEFENSE OF THE NATION



**GEORGIA DEPARTMENT OF LABOR**

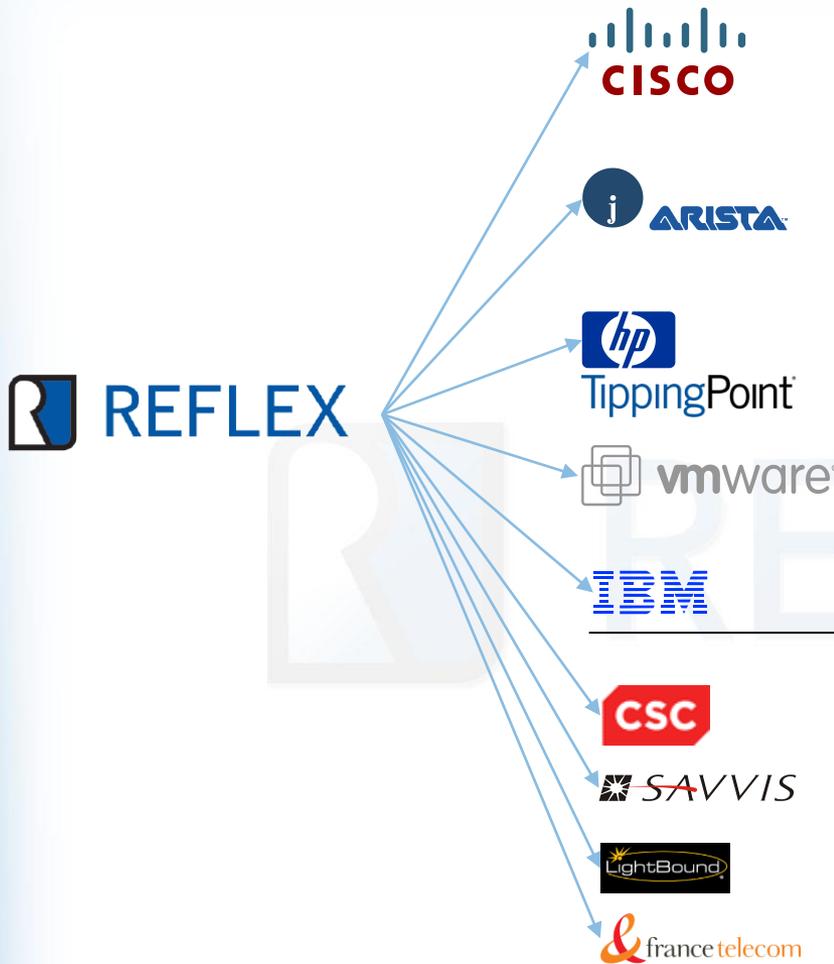


## Financial Services



## Industry





## INFRASTRUCTURE PROVIDERS:

### Cisco Advanced Services

- Cloud services offering leverages Reflex technology (Cloud Reference Architecture)
- Cisco and Reflex also provide a solution that combines Cisco Nexus 1000V Series Switches and Reflex VMC to address the challenges of securing and managing the next generation of virtualized data centers
- UCS management

### Arista VM Tracer & Reflex VMC

- Integration with physical networking infrastructure to manage configuration and compliance
- Holistic management and integration of networks with VMs
- API-based integration for switch configuration management

### TippingPoint vController - OEM and reseller of Reflex vTrust

- Provides redirection of VM traffic to physical IPS device
- License key adds Reflex feature set
- Existing Reflex can upgrade and add vController
- Future Plans to provide virtual IPS

### Technology Alliance Partner and a certified VMsafe vendor.

- Reflex code runs side-by-side with VMware's code in the kernel of the hypervisor. Reflex is also one of a limited number of 3<sup>rd</sup> party vendors with access to VMware's community source code.

- Integrated into the Tivoli framework

## SERVICE (CLOUD) PROVIDERS:

- Providing key infrastructure components of CSC "Trusted Cloud" Initiative
- Federal reseller and systems integrator

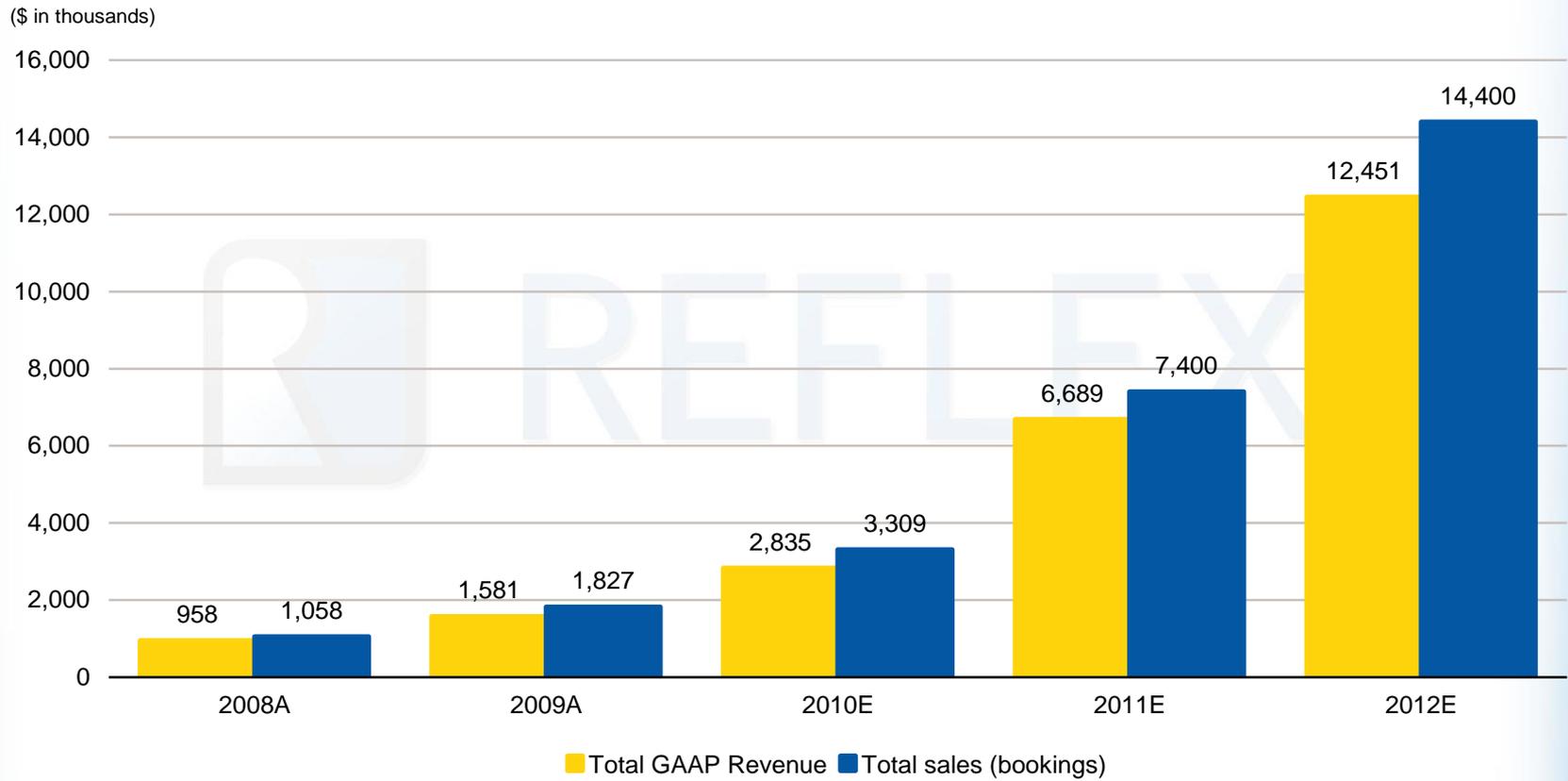
- Project Spirit: providing key infrastructure components of Savvis Symphony, Savvis's next generation secure public cloud offering

- Service (Cloud) Provider

- Service (Cloud) Provider

**Ability to access and leverage other virtual infrastructure market participants contributes to the Company's unique positioning**

- Over 80 new opportunities representing nearly \$5M in pipeline for Q4 2010



# Large single tickets + repeat customers Over the last 6 Quarters

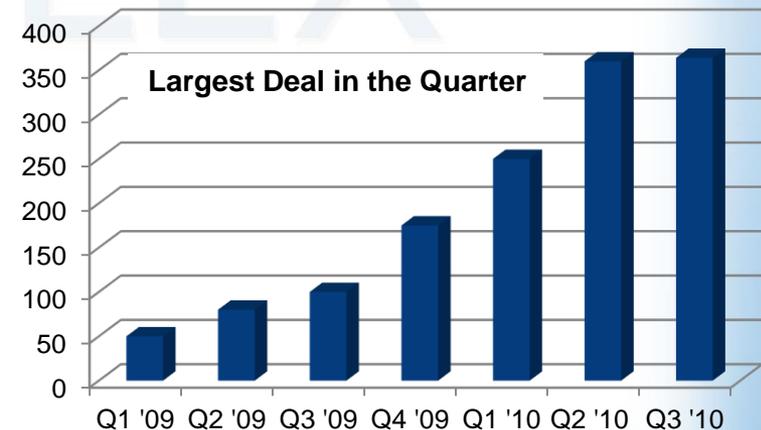


## Multiple purchases, single client (sampling):

| Account         | Order Total      | Account                      | Order Total        |
|-----------------|------------------|------------------------------|--------------------|
| Banca Passadore | \$8,800          | State of GA (Dept. of Labor) | \$46,620           |
|                 | 7,500            |                              | 29,413             |
|                 | <u>16,300</u>    |                              | <u>76,033</u>      |
| Bank of Canada  | 14,540           | Vermont State Emp Credit     | 15,815             |
|                 | 14,786           |                              | 6,262              |
|                 | <u>29,326</u>    |                              | <u>22,077</u>      |
| Cisco           | 14,000           | Wake County                  | 11,000             |
|                 | 14,000           |                              | 8,351              |
|                 | 360,000          |                              | <u>19,351</u>      |
|                 | <u>388,000</u>   | Rowan County                 | 3,108              |
| CSC             | 3,000            |                              | 1,240              |
|                 | 3,000            |                              | 7,580              |
|                 | 28,794           |                              | <u>11,928</u>      |
|                 | 21,206           | Schwans                      | 8,857              |
|                 | <u>56,000</u>    |                              | 61,097             |
| Constellation   | 47,600           |                              | 7,206              |
| Brands          | 2,600            |                              | <u>77,160</u>      |
|                 | 2,936            | Morgan Keegan                | 25,900             |
|                 | 12,000           | (Regions Bank)               | 20,720             |
|                 | 54,960           |                              | 15,540             |
|                 | <u>120,096</u>   |                              | 10,360             |
| E*Trade         | 49,500           |                              | <u>72,520</u>      |
|                 | 216,417          | <b>Total</b>                 | <b>\$1,154,708</b> |
|                 | <u>\$265,971</u> |                              |                    |

## Large single ticket sales (sampling):

| Account                     | Order Total        |
|-----------------------------|--------------------|
| Defense Intelligence Agency | \$364,000          |
| 3Com                        | 250,000            |
| US House of Representatives | 175,400            |
| EPA                         | 167,000            |
| Medquist                    | 133,825            |
| Infor                       | 100,000            |
| HP                          | 100,000            |
| Bryuere                     | 60,000             |
| Orkin Pest Control          | 50,000             |
| Sawis                       | 48,000             |
| InfoHedge Technologies, LLC | 36,641             |
| <b>Total</b>                | <b>\$1,484,866</b> |



- Reflex's financial performance is indicative of the rapid adoption its products are receiving in the marketplace.

|                           | Historical   |              | Projections  |              |             |
|---------------------------|--------------|--------------|--------------|--------------|-------------|
|                           | 2008A        | 2009A        | 2010E        | 2011E        | 2012E       |
| Total bookings            | 1.1          | 1.8          | 3.3          | 7.4          | 14.4        |
| <b>Total GAAP revenue</b> | <b>1.0</b>   | <b>1.6</b>   | <b>2.8</b>   | <b>6.7</b>   | <b>12.5</b> |
| <i>growth %</i>           | <i>na</i>    | 65.0%        | 79.3%        | 136.0%       | 86.1%       |
| Gross Profit              | 0.8          | 1.2          | 2.7          | 6.4          | 12.1        |
| <i>margin %</i>           | 83.0%        | 75.4%        | 94.7%        | 95.5%        | 96.8%       |
| Sales & Marketing         | (0.4)        | (1.4)        | (2.1)        | (4.7)        | (7.8)       |
| <i>margin %</i>           | 42.3%        | 85.8%        | 73.5%        | 70.3%        | 63.0%       |
| R&D                       | (0.7)        | (1.6)        | (1.8)        | (1.9)        | (2.1)       |
| <i>growth %</i>           | <i>na</i>    | 122.5%       | 9.7%         | 7.4%         | 10.6%       |
| G&A                       | (0.7)        | (0.8)        | (0.8)        | (0.9)        | (1.1)       |
| <i>growth %</i>           | <i>na</i>    | 16.7%        | 4.5%         | 9.8%         | 19.6%       |
| Total Opex                | (1.8)        | (3.8)        | (4.7)        | (7.5)        | (11.1)      |
| <b>EBITDA</b>             | <b>(1.0)</b> | <b>(2.6)</b> | <b>(2.0)</b> | <b>(1.2)</b> | <b>1.0</b>  |
| <i>margin %</i>           | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    | 7.9%        |
| <b>EBIT</b>               | <b>(1.0)</b> | <b>(2.6)</b> | <b>(2.4)</b> | <b>(1.6)</b> | <b>0.6</b>  |
| <i>margin %</i>           | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    | 4.6%        |

- Game-changing technology validated by blue chip customers, strategic partners and industry thought leaders
- Alliances with premier strategic partners
- Mission-critical product which delivers significant, immediate cost savings
- Reflex's differentiated Virtualization Management Center platform will be highly accretive to leading strategic buyers
- Large and rapidly growing market
- Proven record of customer traction and retention
- Continuous innovation and a track record of R&D investment
- Experienced management team with deep virtualization expertise