Reflex Systems

REFLEX

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COMPANY DESCRIPTION

TARGET MARKETS

MANAGEMENT TEAM

Pete Privateer, President & CEO

Hezi Moore, Founder & CTO

Preston Futrell, VP of Sales

Laura Armistead, VP of Marketing

Aaron Bawcom, VP of Engineering

Mike Wronski, VP of Product Mgmt

Lori Cooper, Director of Finance

INDUSTRY
Systems management & security
software

CURRENT INVESTORS
RFT Investments

FUNDING TO DATE
$8.5M Series A

FINANCING SOUGHT
$8-10M

USE OF PROCEEDS
Expansion of the enterprise sales
organization, international expansion,
and new product innovation including
our Cloud infrastructure offerings.

Reflex helps organizations realize the
cost savings and productivity benefits of
virtualization, the next major paradigm
shift in enterprise computing. Reflex's
software enables virtual datacenter
automation by dynamically managing and
securing virtual environments while
automatically enforcing compliance with
IT policies and government mandates,.
Reflex products work across virtual
servers, desktops, and networks and on
public and private Cloud platforms.

Reflex Virtualization Management Center
(VMC) is a software solution which
bridges the gap between security and
management in the virtual data center.
Reflex's VMC can discover and map
each element of the virtual infrastructure
while providing centralized visualization,
configuration, compliance and
performance monitoring as well as event
correlation, policy management and
reporting functions.

The VMC also manages vTrust, Reflex's
award winning virtualization security
solution. vTrust runs within the
hypervisor kernel and enables
segmentation of the virtual infrastructure
(Trust Zones) using software instead of
hardware. vTrust enforces resource,
network, security, firewall, application,
performance, and lifecycle policies at the
hypervisor kernel level. This architecture
enables the vTrust to scale to thousands
of virtual machines spanning multiple
datacenters and public or private clouds.

Virtualization technology is being
adapted at a rapid pace for server and
desktop consolidation. In addition,
virtualization is the key technology
underlying all most major Cloud
computing initiatives.

IDC's expects the number of virtualized
physical servers to see a CAGR of
38% through 2012. IDC also estimates
that the virtual security market alone
could be worth $2 billion by 2011 and
the virtualization management market
could reach $5B by 2013. Reflex
Systems recognized as the leader in
the virtualization management and
security markets by Gartner, 451
Group and other analysts. A recent
Gartner report says Reflex has "a 12
month advantage" over other
virtualization start-ups.

Reflex's target market is mid to large
size organizations who are adopting
virtualization in their data centers and/
or utilizing public or private cloud
computing. Many organizations are
hesitant to move mission critical
applications to a virtualized or Cloud
infrastructure because they lack the
visibility, management, performance
and security software necessary to
see, optimize, understand and control
increasingly complex and dynamic
virtual environments. Security
professionals are reluctant to sign-off
on virtualization or Cloud projects
because their current tools cannot
adequately monitor or protect a
virtualized environment. Likewise
auditors and compliance officers often
slow down the migration of mission
critical applications to virtualization or
cloud environments because they have
little visibility into the virtualized world.

Reflex also works with service
providers who are binging next
generation cloud computing to market.
Reflex provides the security and
management infrastructure behind
many emerging Cloud offerings.

COMPETITION

The market for virtualization security and management is still nascent. Some competition comes from tools provided by the hypervisor vendors such as VMware, Microsoft, and Citrix. These tools focus primarily on their own platforms and do not provide robust security, in-depth management and control and lack integration across different management functions.

Additional competition comes from other early stage companies such as Vizioncore, Altor Networks, Catbird, Veeam, ConfigureSoft (recently acquired by EMC, embotics and Fortisphere. These products tend to be one dimensional and lack the breadth of features or seamless integration of Reflex's VMC.

In the future we expect to see competition from the traditional enterprise systems management vendors such as CA, HP, BMC, IBM, EMC, Cisco, Symantec, etc. None of these vendors today have purpose built virtualization security and management tools.

MILESTONES

Founded in 2000 Reflex Security was the first company to commercialize in-line intrusion prevention and the first company to break the 10 gigabyte IPS throughput barrier. In 2006 Reflex was the first IT security company to recognize the potential of virtualization and released the first virtualization security product. In 2008 Reflex decided to focus exclusively on virtualization management and security software. In 2009 the company was restructured under the name Reflex Systems LLC and raised an A round of financing from a top tier private equity fund. At VMworld 2008 Reflex's newly introduced vTrust security offering won the gold award for 'best virtualization security" and the VMC product won the coveted "best of show" award.

8 years of development have lead to core technologies capable of high speed, layer 2 through layer 7 deep packet inspection, in-line network protection, virtual firewall, application protocol analysis, network flow analysis, performance monitoring and integration with VMware, Microsoft and Xen hypervisors. This technology is protected by 5 US patents granted and 7 pending.

Reflex has entered into strategic partnerships with Cisco, VMware, 3Com, and Savvis and CSC (providing key components of their Cloud Computing infrastructure).

Five-Year Financial Projection (in 000's)

	2008 Actual	2009	2010	2011	2012
Revenue	$ 400	$ 2,500	$ 10,000	$ 20,000	$ 36,450
EBITDA	$ (1,027)	$ (2,658)	$ 625	$ 4,922	$ 10,840
Pre-Tax Income					
Net Income					