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Egnyte Announces \$6M Series A Funding

Investment to Accelerate Growth and Continue Product Expansion

Mountain View, CA, July 27, 2009 – Egnyte, a leading provider of on-demand file server solutions, today announced that it has secured \$6M in funding from new investor Polaris Venture Partners and existing seed investor Maples Investments. The Series A round will be used to accelerate market adoption of Egnyte’s products and grow channel distribution for the service.

“Egnyte has been fortunate to see strong growth and adoption of our service in a very difficult economic climate. In the past six months, we have seen a 15% month over month growth rate as small businesses look for new data infrastructure solutions that are both affordable and efficient,” said Vineet Jain, CEO of Egnyte. “As interest in cloud computing grows, we believe our technology solutions have enormous potential in reassuring businesses – both large and small -- that a cloud-based file server can be cost effective, reliable and secure.”

Founded in 2006 and launched in 2008, Egnyte provides an On-Demand File Server for small and mid-sized businesses to store all corporate data, securely share files within and outside the company and backup employee computers in the cloud. In March 2009, the company unveiled a complementary solution to its existing On-Demand File Server – Egnyte "Local Cloud". Egnyte’s Local Cloud blends a hosted online solution with an on-premise solution, providing the benefits of unlimited storage, secure access anywhere, easy file collaboration, built in disaster recovery, fast access, off-line access and the ability to run client server applications locally. Since the release of Local Cloud, interest in Egnyte has soared, as businesses seek storage solutions that address issues with reliability, latency and control -- solutions that Taneja Group Senior Analyst Jeff Boles describes as “key to increasing adoption for storage services in the Internet cloud.”

“We see a substantial growth opportunity for Egnyte – we are excited to help them take their innovation to the next level,” said David Barrett, general partner, Polaris Venture Partners. “We believe the company’s file server technologies are filling a critical need in the market and providing considerable business value.”

“The cloud computing revolution is just at the beginning and Egnyte is already two steps ahead of the market by offering hybrid technology solutions with the strengths of both on-premise and online infrastructure,” said Mike Maples, managing partner at Maples Investments. “We are delighted to continue our support for this exciting young company as it moves on to its next stage of growth.”

In addition to Egnyte, Polaris Venture Partners and Maples Investments backed LogMeIn and SolarWinds, respectively – two technology startups that went public in recent months. Like LogMeIn and SolarWinds, Egnyte follows a similar pattern of delivering valuable software for businesses, coupled with a hyper-efficient distribution model.

About Egnyte

Egnyte is a leading provider of on-demand file server solutions for small businesses and professionals. Egnyte was founded in 2006 and is privately financed. The company is headquartered in Mountain View, Calif. For more information, please visit www.egnyte.com or call 1-877-7EGNYTE.

Media Contact: Kathleen Gratehouse for Egnyte
(415) 963-4174
[kathleen \(at\) bordersgratehouse.com](mailto:kathleen@bordersgratehouse.com)