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More Than 50 Partners Join Xiotech's New Channel Partner Program

Partners to Support Significant Growth Opportunities with New Emprise Storage Line
Featuring ISE Technology and New Virtual View Storage Management Software

Eden Prairie, Minn.—Oct. 9, 2008—Xiotech Corporation today announced that more than 50 partner organizations have joined the Xcel (Xiotech® Channel Expansion Launch) partner program since it was introduced six months ago. This success stems from a deliberate Xiotech strategy of expanding its channel partner program to support significant growth opportunities with both its game-changing Emprise™ storage line, featuring patented Intelligent Storage Element (ISE™) technology, and its new Virtual View single-console storage management software for virtualized IT installations. With the new additions, Xiotech currently has more than 130 active partners in its Xcel program.

Xiotech has already seen significant results from the new program, with revenue growth from the channel increasing 88 percent from the third quarter of 2007 to the third quarter of 2008.

New Xiotech channel partners include 411 SOLUTIONS International; Abacus Solutions LLC; Accelera Solutions; Add-On Data; A&E Technologies, LLC; Applied Microsystems, Inc.; ATS (Apptis Technology Solutions); Atrion Corporation; Bayside Solutions, Inc.; Condre, Inc.; Continental Resources; Data Storage Solutions, Inc.; Digital Partners Incorporated; Innovative Integration, Inc.; JDM Infrastructure, LLC; ModComp Systems & Solutions; Nth Generation; OptiStor Technologies Inc.; Peak UpTime; Pick2; Project Leadership Associates; Sayers40, Inc.; SRMS Network Technologies; Storage IT Solutions; Tener Technologies, LLC; and Total Tec Systems.

The new Xcel program is designed to make partners a true extension of the Xiotech sales force, so they can more effectively sell the Emprise storage systems and Virtual View solution. The program also provides several new advantages to partners, including increased margin protection, improved lead generation processes and enhanced communications and training.

New Partners Respond to Xcel Program

Partners have cited the Emprise storage systems' ISE technology and five-year hardware warranty, along with the new channel program framework, as key reasons for joining Xcel.

Flemington, N.J.-based Atrion Corporation has served enterprise and mid-sized organizations for more than 24 years, and was looking for a storage partner to bring new features and benefits to customers and prospects. "Our management team carefully explored several storage solutions over the past six months, and we decided to team with Xiotech because of the advanced ISE technology, along with an excellent partner and sales coverage model," said Atrion Vice President Gary Hazard. "The combined capabilities of Atrion and Xiotech will certainly serve our customers well. We're looking forward to growing our business with Xiotech."

Another new partner is Total Tec Systems, a nationally acclaimed enterprise and business solutions provider based in Edison, N.J. Total Tec's Executive Vice President of Sales and Marketing Larry Hozenthaler said, "Our customers are seeing great benefits with the ISE technology and cost savings from the five-year warranty. We really like the feedback we're getting from our customers, the advantages of Xiotech's new partner program and working with the internal Xiotech sales team. We see this as a win-win-win situation."

Eden Prairie, Minn.-based Condre, Inc., a distributor and integrator of computer hardware and software serving the data storage VAR and reseller communities, also joined the program. The company's President Denny Maetzold added, "Condre and Xiotech make a great team. We're a leader in RAID solutions, and Xiotech has the RAID of the future today. The combination of the great Xiotech management team, the first truly self-healing storage technology and our leading RAID solutions is a perfect match."

Data Storage Solutions, Inc.'s Chief Executive Officer, Dave Affleck, cited the new ISE technology and the Emprise systems' sophisticated integration with server virtualization applications as reasons his Provo, Utah company joined the program. "The ISE technology provides great reliability, speed and expandability, and with the Virtual View plug-in to the user interface, it is the best storage solution for virtualized server environments," Affleck said.

The Xcel Channel Partner Program

Xcel offers several new advantages to Xiotech storage channel partners. Most significantly, the program provides minimum margin guarantees to the reseller, which ensures a reseller's margin

is protected in a highly competitive bidding situation. Additionally, the new program includes a significant opportunity registration discount, which rewards and recognizes the reseller that initiates a new opportunity.

Xcel also includes a significant focus on a "direct assist" territory management model with clear rules of engagement to support the channel. This ensures that partners and Xiotech's territory sales teams will have mutual trust and can work toward the optimal success for both parties.

In conjunction with the Xcel program, Xiotech has significantly increased its investment in demand generation programs with its partners, including joint marketing events, webinars, advertising and lead generation programs. A new ISE sales certification program is used as one factor in parceling out these leads, and Xiotech has certified more than 100 partner sales representatives in the past 90 days alone.

“We’re thrilled at the overwhelmingly positive response we’ve had to our ISE technology, Virtual View and revitalized channel partner program,” said Xiotech Vice President of Channels Mike Gluck. “In less than six months, we’ve significantly bolstered our channel sales team and are already seeing significant revenue growth from the channel. Our channel partners are critically important to our growth and business success and are a true extension of our sales and support team. We look forward to building long-term relationships with each of them.”

About Xiotech

Xiotech Corporation, an innovator in data storage and protection solutions, is delivering the new foundation of storage with unprecedented reliability, performance and scalability. Xiotech's Emprise™ storage family is built on patented Intelligent Storage Element (ISE™) technology, which virtually eliminates drive-related service events, while delivering industry-leading performance. Both the Emprise and Magnitude® families of storage systems are feature rich, with optimal storage virtualization, Fibre Channel and iSCSI connectivity, grow-as-you-go scalability, unmatched ease of use and integrated customization via Web Services. Additionally, Xiotech's TimeScale® line offers comprehensive, modular solutions for data protection and availability.

Xiotech is based in Eden Prairie, Minn., and maintains major facilities in Colorado Springs, Colo., and Hyderabad, India. For more information, visit www.xiotech.com, email info@xiotech.com or call toll free 1.866.472.6764.