



3LEAF SYSTEMS SECURES \$35 MILLION IN SERIES C FINANCING TO FUEL DELIVERY OF VIRTUALIZATION SOLUTIONS

Company to Use Capital for Product Development and Strategic Sales and Marketing Initiatives

SANTA CLARA, Calif. - September 22, 2008 - 3Leaf Systems™ (www.3leafsystems.com), a provider of next-generation virtualization solutions for enterprise data centers, today announced that it has secured new financing from a suite of blue-chip investors led by LSI Corporation with follow on investments by Alloy Ventures, Enterprise Partners Venture Capital, Intel Capital, and Storm Ventures. 3Leaf Systems will use the new capital to accelerate development of the company's virtualization solutions and to expand sales and marketing activities.

According to Jeff Richardson, executive vice president, Networking and Storage Products Group, LSI Corporation, "We are pleased to lead the Series C round as 3Leaf Systems continues to bring their product portfolio to the market. As a leader in providing storage and networking building blocks that are essential to enabling today's virtual environments, we look forward to collaborating with 3Leaf on developing the next generation of virtualization solutions for the enterprise."

3Leaf Systems is at the forefront of migrating businesses from traditional data center operations to fully virtualized environments. Using 3Leaf's next generation virtualization products, enterprise data centers can dramatically increase their resource utilization and enhance their operational efficiency, delivering a combined savings of up to 60 percent in both capital and operational expenditures. The 3Leaf V-8000 Virtual I/O Server has been named a Best of VMworld award winner at VMworld 2007 for its innovation, value, performance, reliability and ease of use. "Businesses are migrating from traditional data center environments to a fully virtualized environment we define as the Virtual Compute Environment," said B.V. Jagadeesh, CEO, 3Leaf Systems. "We are very excited to have LSI Corporation lead this round and also be a strategic partner to help bring next generation virtualization solutions to our customers. This additional financing by LSI and our existing investors validates 3Leaf's vision in delivering flexible server virtualization solutions designed for enterprise data centers, addressing the dynamic business requirements of markets such as cloud computing, ecommerce and Global 2000 enterprises."

3Leaf Systems Virtual Compute Environment

The 3Leaf® Virtual Compute Environment is an advanced virtualization solution for the growing x86 server market that virtualizes compute, memory, and I/O resources. The 3Leaf® V-

8000 Virtual I/O Server, a key component of the Virtual Compute Environment, enables enterprises to pool the I/O of their data centers servers to simplify allocation and re-allocation of resources in real-time. In addition to providing highly scalable and efficient I/O, the V-8000 deployed with the Virtual Compute Environment architecture minimizes the cost of putting commodity servers into service by removing the need for local networking and storage. The V-8000's rich feature set maximizes server resource utilization and scalability, accelerates the deployment and provisioning of new servers, and provides high availability and centralized management.

About 3Leaf Systems

3Leaf Systems provides next-generation server virtualization solutions to support both scale-up and scale-out virtual servers in enterprise data centers. 3Leaf technology simplifies operations by increasing the utilization and availability of large-scale data center resources. A privately held company based in Santa Clara, California, 3Leaf Systems investors include Alloy Ventures, Enterprise Partners, Intel Capital, and Storm Ventures. For more information, visit www.3leafsystems.com or call 408-572-5900.

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