



Tegile Completes \$35 Million Funding Round

Capital infusion allows company to exponentially scale sales, operations

Newark, Calif. – August 12, 2013 – Tegile Systems, a leading provider of hybrid storage arrays for virtualized server and virtual desktop environments, today announced the closing of its \$35 million Round C funding led by late-stage venture firm Meritech Capital Partners with additional investment by original stakeholder August Capital and strategic partners Western Digital (NASDAQ: WDC) and SanDisk (NASDAQ: SNDK). With the investment, Paul Madera, managing director of Meritech, joins Tegile’s board of directors.

The completion of Tegile’s “scaling round” allows the company to rapidly accelerate the expansion of its proven technology and successful go-to-market strategy by utilizing the capital raised to further strengthen its sales and customer support efforts throughout its North American and European channels and to accelerate its new product/technology development.

Unlike other companies in the SSD/hybrid product space that have made earlier rounds of funding the major infusion of working capital, Tegile has been aggressively building the company from the outset to become the only one having generated more revenue than it has taken in outside financing. Before opening its Round C funding, Tegile improved its sales and revenues from doubling every two quarters to doubling every quarter. By accepting additional financing, Tegile can leverage that momentum to ensure it is positioned to capitalize on every possible market opportunity in a timely manner.

The Series C financing round includes a strategic investment from Western Digital Capital, a subsidiary of Western Digital. Tegile’s Zebi product line currently features enterprise-class hard drives and SSDs from HGST, a wholly owned subsidiary of Western Digital. The strategic equity investment extends Tegile’s existing relationship with HGST to include joint technology development. The companies are working together on next-generation storage technology and solutions that are optimized for a wide range of industries and applications, including server virtualization, VDI, database hosting and file services.

Tegile currently has more than 300 production customers utilizing its Zebi hybrid storage arrays, which leverage the performance of SSD and low cost per TB of high capacity disk drives to deliver up to seven times the performance and require up to 75 percent less capacity than legacy arrays.

The round's lead investor, Meritech, focuses its investment portfolio solely on late-stage technology companies, helping them solve potential scaling challenges as they prepare for hyper growth. With extensive domain expertise, Meritech has backed data storage companies BlueArc, Cloudera and Fusion-io, to name a few, in addition to its investment in Tegile.

"Our investment philosophy is to fund companies that have a unique product, have a proven business model and are gaining traction within the industry – all traits exhibited by Tegile," said Madera. "But more than that, we are very careful to consider the management team behind this success. Like many of the best tech companies we've invested in during the past decade, Tegile has the leadership and the innovative potential to be quite transformative. It is a real privilege to be part of this ready-to-scale funding round and I look forward to participating as a member of Tegile's board."

"The time has come for us to scale the financial success we've thus far been afforded and leverage these opportunities for even greater revenue prospects and increased sales," said Rohit Kshetrapal, CEO of Tegile. "The financing we've secured in this latest funding round allows us to do just that. We are pleased that our Round C investors include two strategic partners that will strengthen both our relationship and product roadmap even further, and working with an investment firm known to quickly move technology companies to the forefront. We look forward to Paul joining our board."

"Tegile has developed advanced solutions leveraging the combined strengths of HDD and SSD technology. We look forward to exploring the complementary nature of the two technologies and expanding our strategic relationship in the future," said Mark Long, president, Western Digital Capital. "We will continue to support the evolution of the storage ecosystem by collaborating with, and investing in, companies like Tegile who are developing innovative technology and addressing key storage opportunities."

August Capital has invested in more than 75 companies across the technology spectrum. The companies that August Capital's partners have backed represent an aggregate market capitalization of well over \$250 billion, generate in excess of \$75 billion in annual revenue and employ a quarter of a million people around the world. August Capital was the sole venture capital firm participating in Tegile's Series A and B rounds.

"As the only provider of outside capital through the first two rounds of the company's earlier financing, we are pleased to once again have the opportunity to extend our

successful relationship with Tegile with our inclusion in this latest funding round,” said Vivek Mehra, general partner of August Capital. “We are proud to see Tegile grow from a startup with an innovative approach to a more established provider of storage solutions and are confident that this latest funding round will help them continue to increase their penetration in both new and existing markets.”

About Meritech Capital Partners

Meritech Capital Partners is a leading provider of late-stage venture capital to category-defining private technology companies and has been one of the top performing venture firms of the past decade. With over \$2.6 billion under management, Meritech primarily leads investments into companies with proven and differentiated technology, rapidly growing revenue and experienced management teams. With one of the most active venture portfolios, Meritech has experience in, and provides guidance on issues facing rapidly growing companies including management incentive plans, IPO market timing and positioning, M&A strategies and negotiations and adviser selection. Meritech investments in industry-leading companies include BigFix, Broadsoft, Cornerstone OnDemand, Facebook, Fortinet, Fusion-io, Greenplum, Imperva, Netezza, NetSuite, PopCap, Proofpoint, Riverbed, Salesforce.com, Sourcefire, SpringSource, Tele Atlas and Zipcar. Meritech is located in Palo Alto, CA and can be found at www.meritechcapital.com.

About August Capital

August Capital was founded in 1995 to invest in companies differentiated by technical innovation and entrepreneurial excellence. Today, August Capital's eight investment professionals have more than a century of combined venture and operational experience. Together they manage \$1.3 billion and have invested in more than 75 companies across the technology spectrum. From its inception, August Capital has funded an extraordinary group of entrepreneurs who have built significant, long-term value across the full range of information technologies. The companies that August Capital's partners have backed represent an aggregate market capitalization of well over \$250 billion, generate in excess of \$75 billion in annual revenue and employ a quarter of a million people around the world. This success is a testament to the entrepreneurs themselves, as well as the fundamental technologies they have created. We are proud to have supported these entrepreneurs and their companies as they have grown and prospered. For more information, visit: <http://www.augustcap.com/>.

About Tegile Systems

Tegile Systems is pioneering a new generation of enterprise storage arrays that balance performance, capacity, features and price for virtualization, file services and database applications. With Tegile's Zebi line of hybrid storage arrays, the company is redefining the traditional approach to storage by providing a family of arrays that is significantly

faster than all hard disk-based arrays and significantly less expensive than all solid-state disk-based arrays.

Tegile's patented MASS technology accelerates the Zebi's performance and enables on-the-fly de-duplication and compression of data so each Zebi has a usable capacity far greater than its raw capacity. Tegile's award-winning technology solutions enable customers to better address the requirements of server virtualization, virtual desktop integration and database integration than other offerings. Featuring both NAS and SAN connectivity, Tegile arrays are easy-to-use, fully redundant, and highly scalable. They come complete with built-in auto-snapshot, auto-replication, near-instant recovery, onsite or offsite failover, and virtualization management features. Additional information is available at www.tegile.com. Follow Tegile on Twitter @tegile.

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