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## **FalconStor Software and Ciara Technologies Join Forces to Offer Storage Appliances for Continuous Data Availability and Accelerated Backup and Recovery**

*IPStor-Powered Appliances Leverage the Development and Manufacturing Proficiency of Ciara with the Backup/Recovery Expertise of FalconStor*

MARKHAM, ONTARIO, April 19, 2004— FalconStor Software, Inc. (Nasdaq: FALC), a leading developer of network storage infrastructure software solutions, and Ciara Technologies, Canada's largest manufacturer of Intel-based computers, today announced a collaboration to deliver turnkey solutions, including an IPStor Enterprise appliance, as well as special purpose Virtual Tape Library (VTL), iSCSI Storage Server, and NAS Server appliances, all powered by IPStor.

“FalconStor’s IPStor software solution is very intelligent with its storage services, and we’d like to leverage that technology to the fullest since it fits naturally with our appliance development and manufacturing services,” said Ciara Technologies President Robert Ahdoot. “We’ve had a successful track record of IPStor deployments, and see the VTL and iSCSI appliances powered by IPStor as a great opportunity to offer data center managers a cost effective solution for business continuity.”

Leveraging industry standard disk and IP or Fibre Channel SAN, the VTL Appliance accelerates the backup and restoration of data with minimal operating cost and quickest return on investment, while the iSCSI Storage Server Appliance, running on Linux, is a cost effective, turnkey solution facilitating the consolidation and management of storage using the industry standard iSCSI protocol.

“FalconStor and Ciara Technologies are addressing the business need for efficient and cost-effective storage solutions that manage data across enterprises and make it available quickly on demand,” said Mira Sharma, FalconStor country manager for Canada. “This alliance offers corporations fully integrated, easy to deploy appliances that reduce total cost of ownership, without surrendering Enterprise level functionality.”

The IPStor Enterprise Appliance provides network storage services to help protect data against hardware failures, software failures, and virus attacks. IPStor supports the SCSI, iSCSI, and Fibre Channel protocols, and its enterprise-class storage services include Active-Active Failover, Synchronous Mirroring, Remote Replication, Zero-Impact Backup Enabler, DynaPath for dynamic multi-pathing, and TimeMark for scheduled disk-based change-journaling and instant data recovery.

The VTL Appliance optimizes the performance and reliability of backup/restore operations without requiring changes to be made to the existing backup software. It increases the speed and reliability of existing third party backup applications by using disks to emulate industry standard

tape libraries. The VTL Appliance transfers data to and restores it from a disk-based virtual tape at ultra high speeds, and maximizes reliability by removing robotic mechanical failures and physical tape media errors.

The iSCSI Storage Server Appliance simplifies and centralizes the management of storage by allowing administrators to leverage an existing IP network to create a cost-effective SAN storage solution that can consolidate and manage legacy and state of the art storage devices. Utilizing unique Storage Service Enabler technology enables the iSCSI Storage Server Appliance to immediately incorporate existing disks into the SAN for trouble-free and rapid deployment. The iSCSI Storage Server Appliance also delivers continuous data availability, and can be deployed in an active-active failover/failback cluster configuration to ensure business continuity.

The NAS Server Appliance provides a quick and easy way to add high performance, shareable file-based storage for users, applications and data management services. The appliance enables users to access data and storage via a network interface using Unix and Windows protocols including NFS (Network File System) and CIFS (Common Internet File System).

### **About Ciara Technologies**

Incorporated in 1984, Ciara Technologies celebrated this year its 19th year in business in the information technology field. In spite of the economic context of the last few years, Ciara Technologies not only maintained but increased its market share while financing its growth 100% through its benefits. We are proud to have become the largest Canadian manufacturer of Intel based computers. Established in Montreal, Ciara Technologies sells and services its products everywhere around the world. For more information, visit [www.ciara-tech.com](http://www.ciara-tech.com).

### **About FalconStor**

FalconStor Software, Inc. (NASDAQ: FALC) is a leading developer of network storage infrastructure software solutions designed to optimize the performance and availability of today's complex IT infrastructures. Deployed by a wide range of Fortune 1000 enterprises, FalconStor's flagship product, IPStor, optimizes storage utilization, accelerates backup and recovery, maximizes I/O performance and ensures business continuity via sophisticated data replication services. It is available and supported through major OEMs, system integrators and resellers worldwide.

Founded in 2000, FalconStor is headquartered in Melville, NY, with offices throughout Europe and the Asia Pacific regions including Paris, Tokyo and Taiwan. FalconStor is an active member of the Technical Support Alliance Network (TSANet), Storage Networking Industry Association (SNIA) and Fibre Channel Industry Association (FCIA). For more information visit [www.falconstor.com](http://www.falconstor.com) or call 1-631-777-5188.

This press release includes forward-looking statements that involve risk and uncertainties that could cause actual results to differ materially from the forward-looking statements. These risks and uncertainties include: delays in product development; market acceptance of FalconStor's products and services; technological change in the storage and networking industries; competition in the storage networking software market; the potential failure of FalconStor's OEM partners to introduce or to market products incorporating FalconStor's products; the ability to achieve profitability; intellectual property issues; and other risk factors discussed in FalconStor's reports on Forms 10-K, 10-Q and other reports filed with the Securities and Exchange Commission.

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