

'Game-Changing' Storage Management Solutions for Enterprise Storage & Cloud Computing

Crossroads Systems, Inc. (NASDAQ:CRDS)



Key Stats Sources: Capital IQ, SEC filings, company mgmt.)

Stock Price (1/20/12)	\$5.20
52 Week Low/High	\$3.20/8.00
Average Daily Trading Volume (3 mo.)	16,265
Shares Outstanding	10.9M
Public Float Shares est.	8.2M
Insider & Affiliate Holdings	12%
Institutional Holdings	42%
Revenue (ttm)	\$15.0M
Gross Profit (ttm)	\$12.3M
Net Income (Loss) (ttm)	\$(7.5)M
Cash & ST Investments (mrq)	\$10.7M
Total Assets (mrq)	\$15.4M
Total Liabilities (mrq)	\$7.5M
Market Capitalization	\$59.8M
Enterprise Value	\$51.0M
Enterprise Value/Revenue (ttm)	3.4x
Fiscal Year End	Oct 31

Top Institutional Shareholders

Compass Financial: 937,500 shares (8/30/11)

Strome Investment: 781,250 shares (8/30/11)

Revelation Capital: 743,168 shares (9/30/11)

Manchester Management: 608,776 shares (11/18/11)

Diker Management: 522,558 shares (9/30/11)

Company Contacts

Steve Ledger, Chairman

Robert Sims, CEO & President

Jennifer Crane, CFO

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Investor Relations

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Crossroads Key Highlights

- **StrongBox**, the online all-the-time, non-proprietary and fully portable data vault for long-term data retention began shipping December 5, 2011
- Proven IP portfolio generating \$50M+ in revenue since 2007
- Recurring revenue business model with 85%+ gross margin
- Strong balance sheet: \$10.7M in cash (\$0.98 per share)
- Global alliances with major brands: FujiFilm, CapGemini, Dell, IBM
- Over \$52M invested in R&D to develop new game-changing storage management solution for enterprise storage and cloud computing



About Crossroads Systems

Crossroads provides information solutions that connect, protect, secure and restore business-critical data.

Crossroads' proprietary solutions feature:

- Patented routing messaging interface technology
- Storage router software with 89% market share
- 15 years of proven experience with data protection technology with 125,000+ installations in most Fortune 2000 companies

Crossroads is undergoing a transition from a provider of commodity hardware storage to offering proprietary software solutions & services

Key Growth Drivers

Resurgent Tape Technology: Revitalized R&D by major players (IBM, Oracle, HP) for tape as a storage medium is driving new product cycles, dramatically faster access times and greater storage capacity

Tier 3 Storage: A multi-billion dollar growth market driven by greater Internet bandwidth and an explosion in mobile and cloud-based computing

Unrealized IP Value: With 115+ patents/applications, Crossroads' formidable IP and technology has attracted important strategic partnerships

First Mover Advantage: Crossroads Early Adopter product is the first based on HP/IBM's new Linear Tape File System (LTFS)

LTFS is the backbone of StrongBox, enabling the breakthrough ability for random access of files on tape, which was previously only capable on a hard drive

Current products: SPHiNX & ReadVerify Appliance are key components of the StrongBox solution

Analyst Coverage (see disclaimer below)

MDB Capital Group • Amy Wang

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"Crossroads'

StrongBox solution is exactly what LTFS was looking for when it was first rolled out a year ago.

StrongBox takes that a level higher by offering what could be the simplest, easiest to use archiving solution we have seen."

– Storage Switzerland