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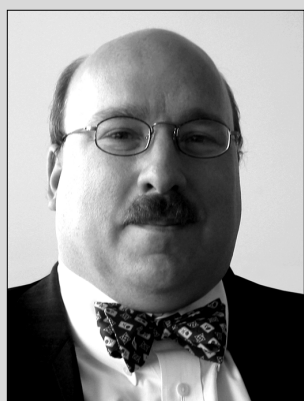
# THE WALL STREET TRANSCRIPT

Questioning Market Leaders For Long Term Investors

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## Raritan Computer Inc.

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VSEVOLOD (SEV) ONYSHKEVYCH is Marketing Vice President at Raritan Computer, and the chief emissary of Raritan's innovative solutions that help companies remotely and cost effectively access and manage all their IT equipment from anywhere — from inside and outside the data center. Sev, who brings more than two decades of IT industry experience, leads Raritan's marketing and product management initiatives worldwide. Prior to joining Raritan, Sev was Chief Marketing Officer and Executive VP of Product Management for Montreal-based My Virtual Model, Inc. — a company that sells virtual identity and 3D-visualization technologies, and online shopping tools, to leading retailers. A proven entrepreneur, Sev has created several software businesses, including 3Dsize.com, Inc. — developers of sizing and body-scanning technology. He also created European practices for RONIN, a marketing consulting company serving Fortune 500 technology firms. Sev holds an M.B.A from the Wharton School of Business and an undergraduate degree in Electrical Engineering from Princeton University.

**TWST: Sev, can we begin with an historical overview of Raritan?**

**Mr. Onyshkevych:** Raritan provides secure remote management solutions to help companies better manage their IT equipment inside and outside the data center. We have been in business for 19 years and throughout this period we have enjoyed year after year top-line growth, and growth in profits. Our core technology is KVM switching, which enables multiple servers to share a set of Keyboard, Video and Mouse — saving space and equipment costs on the desktop, in data centers and equipment closets. We have been pioneers in many of the KVM technology developments in the industry, and have been at the forefront of creating solutions for remotely managing corporate data centers. Our solutions today are found in companies with distributed management architectures, where you have multiple people in multiple locations that need to manage all different kinds of servers and other IT equipment. More recently we have developed digital KVM solutions, where the keyboard, video and mouse signals are transmitted over the Internet — either a private or public IP-based network. Raritan Computer has

evolved to a provider of complete management solutions for mid- to large-sized enterprise data centers — enabling IT workers, from anywhere, to monitor thousands of data center servers and to pinpoint and handle problems, even reboot servers, as if they were actually at the server rack.

**TWST: Recently you acquired Peppercon, could you give us a little background on how that came about?**

**Mr. Onyshkevych:** It's the third acquisition we've done in the past 18 months. Each of our strategic acquisitions has helped us expand our product line and expand our market. The first was Arula, an HP spin-off company, which added serial console management to our product portfolio. Serial console management is similar to KVM, but for servers that are controlled through a serial port — such as Solaris, Linux, and UNIX servers. The Arula acquisition also gave us our first management appliance, the CommandCenter™, for managing a network of KVM switches. Then late last year we acquired the assets of CCC, based in the UK. CCC was a competitor at the extreme high end, for intergalactic data centers at very large global Fortune 50 customers. In addition to acquiring CCC's technology, the acquisition also brought

with it a number of key customers. Then in April, we acquired German-based Peppercon AG, which provided us with additional KVM-over-IP technology, including embedded technology that enables us to put KVM-over-IP control inside a server or appliance. Peppercon's embedded KVM-over-IP technology really helps us to further penetrate the OEM market. A big chunk of the KVM market is selling direct to the end users, but another major segment is with OEMs — whether they are the top server manufacturers or networking companies or network equipment companies. Peppercon — which is now a Raritan business unit focused on the OEM market — gives us much deeper OEM capabilities and also extends our digital product portfolio.

**TWST: Are there any other acquisitions on the way?**

**Mr. Onyshkevych:** None to discuss today, but we are constantly looking at new technologies and new expansions to the market.

**TWST: Could you tell us a little about some of the clients and the solutions that you supply for them?**

**Mr. Onyshkevych:** We work for the very largest of companies within, say, the Fortune 500 segment, as well as with small- to medium-sized businesses. Our segmentation is not so much based on company size, but based on the number of servers and other devices that need to be managed. If you have 30 or 50 or more servers that need to be managed by multiple people, you need a KVM management infrastructure such as what Raritan provides. There are really two credible companies that can offer an enterprise-wide solution, Raritan being one of them. Consequently, a high percentage of companies use Raritan equipment to manage the equipment that's in their data centers, particularly those that have distributed data centers — multiple data centers around the world — as well as smaller remote locations or branch offices with IT equipment. We are equally strong in the small- to medium-sized business segment, where typically you might have a single data center or a single location or headquarters with an IT infrastructure that needs to be managed.

**TWST: Sev, looking at the competitive landscape, what makes Raritan so unique? What do you see as Raritan's competitive advantage?**

**Mr. Onyshkevych:** First of all we've been one of the pioneers in this space. Many of the industry's innovations over the years have come from Raritan, and we continue to innovate. We also have the philosophy of investment protection for our customer base; so while we continue to innovate, we also continue to create solutions that support and work with the previous equipment investments that customers have made. We have a very broad product line that covers many different situations, many different types of servers, many different concentrations of users and servers and other devices. We really take pride in our reseller network. Many of our resellers have worked with us for a decade or longer. We really have a solid, well-supported, highly motivated reseller network, and we have more than 50,000 very satisfied customers that keep on coming back to Raritan technology. We are technology builders and innovators, and really one of the major companies in this space; a space that is growing at up to 20 percent a year.

**TWST: Looking ahead to the next year or year and a half, do you see any major challenges that Raritan has to overcome?**

**Mr. Onyshkevych:** We have to stay abreast of the industry's continuous technology evolutions, both in the KVM technology that we sell, and the technology in the products that we support and manage. Servers, for example, are evolving; their specifications are evolving. Blade servers — which enable you to plug in multiple servers, each on a small card, into a big chassis — really change the way that people are thinking about their server infrastructure. You have storage area networks where people are consolidating all of their storage into bigger and bigger centralized networks. You have virtualization — which is software that you run on big server arrays, so that instead of having many different kinds of computers running different kinds of applications, you essentially run all of them in one place. So, as technology advances, we have to look for ways to help our customers manage these new devices and equipment. We also see an increasing trend to move capabilities that have been traditionally outside the server to inside the server. That's why we acquired Peppercon; they are a leader in embedded KVM-over-IP technology.

**TWST: Do you see any significant developments or changes in your markets?**

**Mr. Onyshkevych:** We do see a resurgence of infrastructure and capital investments. So, the markets right now, in most parts of the world, seem to be quite positive and quite bullish as a number of capital investments, which have been deferred for the past two years, are being effected now. So, some major changes we see are primarily on the positive side.

**TWST: Are there any economic or political issues that might impact Raritan in the future?**

**Mr. Onyshkevych:** We are obviously dependent on a global technology infrastructure and global economy. The more people invest in new technology infrastructures, the more they will continue to invest in management infrastructures, such as Raritan's KVM and serial console and other remote access and management solutions. The converse would also be true. If there were an economic downturn, that would have a negative impact, obviously, on that kind of investment. With that said, our revenues and that of the KVM sector, in general, have actually continued to grow despite the overall IT market downturn of the past several years.

**TWST: If you could look into the future, where do you see Raritan in the next three to five years? Can we have your take on the strategic direction of the company?**

**Mr. Onyshkevych:** Primarily we see expansion of secure remote access and management solutions — broadening the range and spectrum of the types of devices and other equipment that customers can manage, as well as broadening our coverage outside of the primary data centers. We have started making a big inroad into remote offices and branch offices where there is lots of equipment, but limited technical staff. We can expand into virtually any area

that has IT equipment that needs to be managed — such as home offices and Internet kiosks at airports. Another direction is to continue to evolve the backbone infrastructure. We've gone from primarily what has been a coax cable-based KVM environment, to a Cat5 environment, to an IP-based environment. There are new connection technologies, and wireless is certainly one that's going to make a major impact, inside and outside the data center. And certainly wireless will make its way into our product line. We'll also see more management software, particularly as the computing environments gets more complex. And that's an area where we will provide solutions to manage both our solutions and devices that are connected to these solutions, and the multiple users who need to control these devices.

**TWST: How important is the international market to Raritan's product line? Do you see it having a big impact on the company?**

**Mr. Onyshkevych:** It's fundamental. Today we have 30 offices around the world. Our products are distributed in 76 countries. So, while we were a predominantly U.S.-focused company several years ago, today we have more staff outside than inside the U.S. We have extensive sales internationally and continue to develop new offices. Today our products are designed very much for the global market — from a management perspective, from a strategizing perspective, from a marketing perspective. Product Management, for example, localizes products for each country from the beginning, so that we can simultaneously launch new products in each of our markets around the world. Everything we do at Raritan, we do with an international focus.

**TWST: Sev, can you tell us a little bit about the core management team, their strengths and skill sets?**

**Mr. Onyshkevych:** Yes. As we've been growing in the past several years, the company has focused on expanding its overall management team. We've added, in the past 18 months, a COO, a CFO, a VP of Sales, VP of Marketing, VP of Biz Dev, and CIO, VP of HR, as well as senior country managers in many of the countries and regions that we sell to around the world; we are really beefing up the managerial structure. Tom Swift, for example, is the

COO, and he comes from very senior management positions within Lucent. We have a number of people who have managed major chunks of top IT companies.

**TWST: If you were to sit down with some investment bankers, can you give us two or three reasons why people should be paying close attention to Raritan?**

**Mr. Onyshkevych:** We are incredibly healthy. We have excellent financials. We have a solid track record of growth, where we have very aggressive growth targets. We have a solid management team. We have an extensive technology portfolio, and we have a global talent pool; 150 engineers and development staff around the world that continue to improve and expand our product line. We have a loyal customer base and reseller network that has a high involvement with Raritan.

**TWST: Do you have any final thoughts, anything you'd like to add?**

**Mr. Onyshkevych:** We continue to focus on satisfying our customer base and expanding the range of offers we have. We focus on aggressive, but strategically managed growth. We focus on global expansion, on really continuing to have a tight relationship with resellers and other partners. We are quite excited about Raritan's prospects for the future and the direction we've taken.

**TWST: Thank you.**

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