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Zenoss Announces Record Quarterly Customer Growth Amid Struggling Economy

Commercial Open Source IT Management Firm Grows 85 Percent Quarter Over Quarter

ANNAPOLIS, MD -- ([Marketwire](#)) -- 10/08/08 – Zenoss Inc., a leading provider of commercial open source application, systems, and network management software, today announced it achieved record sales during the third quarter of 2008. While IT budgets continue to pull back in the wake of the global economic slow down, the rapidly-growing software firm grew 85 percent quarter over quarter, adding over 35 new commercial customers including large financial institutions, Fortune 500 companies, leading web-based companies and branches of the US Armed Forces. To date, Zenoss' solution has been installed in 175 countries by over 18,000 organizations around the world.

Forrester Research's recent IT manager survey found over 40 percent of firms have cut their overall IT budgets for 2008 in reaction to the slowdown in the global economy, while 24 percent of firms have put discretionary spending on hold. Despite the economic downturn, Zenoss added over 35 new commercial customers. In addition, several existing customers such as Crispin Porter & Bogusky, Los Alamos Labs, Ladders.com, and OpSource purchased significant expansions. Others, such as Mercy Medical Center, Rackspace and Sungard renewed their annual subscriptions.

"Interest continues to grow in new open source IT Management platforms like Zenoss. As with the open sourcing of other layers in the IT stack like Linux and application servers, open source projects are matching the features and support offered by traditional vendors in IT Management providing data centers with more affordable but still feature rich alternatives to the Big 4 incumbents," noted IT analyst Michael Coté of RedMonk.

"Zenoss allows us to manage our entire IT infrastructure with a single integrated solution," said John Rowell, Co-Founder and CTO of OpSource, the leader in Web operations for SaaS and Web companies. "We not only saved a lot a money, but gained significant visibility and have automated many tasks that we used to do by hand."

Yesterday, Zenoss announced the continued expansion of its management team to include key executives from industry leaders such as Sun, Novell, CA and BMC. Alongside the rapid growth of its customer base and management team, Zenoss was

recognized in the third quarter with industry honors that included:

-- Zenoss Core(TM) won the InfoWorld Best of Open Source Software Award in the Network Monitoring category

-- Zenoss named finalist in 3 different SourceForge Community Choice Awards, including the Best Project for the Enterprise and Best Tool or Utility for Systems Administration categories.

-- Zenoss named Venture Capital Deal of the Year by the Northern Virginia Technical Council as a result of its \$11 million series B financing round funded by Grotech Ventures, Intersouth Partners and Boulder Ventures.

Zenoss provides a powerful alternative for IT systems management that delivers a complete solution for monitoring the entire IT infrastructure. The company's portfolio includes an award-winning open source solution, called Zenoss Core(TM), in addition to Zenoss Professional and Enterprise Editions, commercial versions that contain additional functionality and support options.

For the last two years, Zenoss Core has been the most popular network and systems management product on SourceForge.net, the world's largest repository of open source software applications.

"As IT departments are asked to do more with less, Zenoss is changing the game in IT management by providing more automation for routine IT management tasks and doing so without the heavy licensing and deployment costs of traditional solutions," said Bill Karpovich, CEO and co-founder of Zenoss, Inc.

About Zenoss

Zenoss is a commercial open source software company whose network, server and application monitoring solutions offer comprehensive IT management and network monitoring. As a result, they are easier to deploy, use and maintain, more flexible, and a fraction of the cost of traditional IT management solutions. Zenoss has won numerous awards, including InfoWorld's BOSSIE for Best Open Source Network Monitoring Solution, Enterprise Open Source Magazine Readers' Choice Award, and Network World's Clear Choice Award. The solutions are helping leading companies -- such as Rackspace, VMware, Tyco Electronics, SugarCRM, Cap Gemini and Formica -- avoid costly IT outages and better support their employees and customers. Zenoss is headquartered in Annapolis, MD and operates offices there and in Austin, TX. To learn more visit www.zenoss.com.

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