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## Rally Software Secures \$16 Million in Funding Led by Greylock Partners

*Investment Gives Leading Agile ALM Vendor Funds to Accelerate Following Rapid Growth in 2009*

BOULDER, Colo.--(BUSINESS WIRE)--Rally<sup>®</sup>, the leader in Agile application lifecycle management (ALM), announced today that it has closed a \$16 million round of funding led by Greylock Partners, a leading venture capital firm with a 45-year track record of successful investment in companies including Constant Contact, Digg, Facebook, LinkedIn, Pandora, Red Hat, RightNow Technologies, Success Factors, Wily Technology and Workday. This infusion of new capital lets Rally accelerate its hiring of engineers to take advantage of its success in the ALM and project/product portfolio management (PPM) markets. In addition, Tom Bogan, Venture Partner of Greylock, becomes the newest member of Rally's board of directors.

"SaaS and Agile will continue to revolutionize how software and hardware get developed worldwide," said Bogan. "I first met Rally Software in 2004. I've tracked the company over the last five years as it has become the market leader in Agile ALM. Tim Miller and his team are the kind of leaders we like to invest in – smart, serial entrepreneurs with a vision who can also really execute."

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While most companies struggled in 2009, Rally nearly doubled its product revenue and ended the year forecasting 2010 cash-flow-positive performance. Rally's solutions address the complexities of successfully implementing Agile development and Lean practices with the right combination of tools, services and best practices. Rally's award-winning products not only help development organizations speed innovations to market and reduce costs, but they also enable unprecedented transparency and collaboration across all roles and activities engaged in the company's idea-to-market lifecycle.

"Rally has enjoyed tremendous progress this past year and is in terrific shape as a company. Greylock's investment positions us to further accelerate our growth strategies," said Tim Miller, CEO of Rally Software. "I couldn't be more pleased to add Tom Bogan to our board and Greylock to our group of syndicate backers with their industry knowledge, successful investment experience and strong network."

Bogan brings years of market-leading ALM industry knowledge to Rally's board of directors. He was President and COO of Rational Software, an S&P 500 enterprise software company, from 2000 until its sale to IBM in 2003. He previously had served Rational as its COO and as General Manager of its testing business from 1996 to 2000. In addition to Bogan, Rally's board members include: Brad Feld of Mobius Venture Capital, Tim Miller of Rally Software, Lisa Reeves of Vista Ventures, Peter Roshko of Boulder Ventures and Bryan Stolle of Mohr Davidow Ventures.

### About Greylock Partners

Greylock partners with entrepreneurs to help them build market-leading businesses. Over the past 45 years the firm has worked with hundreds of companies, 150 of which have gone on to IPOs and 100 of which have gone on to profitable M&A events, including Ascend Communications, CheckFree, CipherTrust, Constant Contact, Continental Cable, Decru, Data Domain, DoubleClick, Farecast, Internet Security Systems, Ikanos, Legato, Media Metrix, Millennium Pharmaceuticals, Openwave, Open Market, OutlookSoft, Polyserve, Red Hat, RightNow Technologies, Success Factors, Sun Edison, Tellabs, Trilogy and Wily Technology.

Current Greylock portfolio companies include Cloudera, Data Robotics, Digg, Facebook, Gowalla, Imperva, LinkedIn, Palo Alto Networks, Pandora, Picarro, Redfin, Workday and ZipCar. Greylock operates in a number of global centers of innovation, including Boston, China (Beijing), India (Bangalore), Israel (Herzliya) and Silicon Valley. For more information about Greylock Partners, visit [www.greylock.com](http://www.greylock.com) or follow on Facebook at <http://www.facebook.com/greylock> or Twitter (@GreylockVC).

### About Rally Software

Rally is the leader in Agile application lifecycle management (ALM) dedicated to making distributed development organizations faster and leaner by dramatically cutting the time, cost and effort needed to deliver high-quality applications. According to a study by QSM Associates, software-driven companies that rely on Rally's Agile ALM products and services are 50% faster to market and 25% more productive than industry averages. Rally's products were honored with four consecutive Jolt awards (the software industry's equivalent of the Oscar<sup>®</sup> award) in 2006, 2007, 2008 and 2009. The company's end-to-end solutions for Agile development also include Agile University, the leading source for Agile training, and Agile Commons, the largest collaborative Web 2.0 community dedicated to advancing software agility. Rally currently supports more than 2,000 corporate customers, 54,000 projects and 86,000 users in 60 countries. For more information, visit [www.rallydev.com](http://www.rallydev.com). For more information about Rally's 2009 growth statistics, visit [www.rallydev.com/by\\_the\\_numbers/](http://www.rallydev.com/by_the_numbers/).

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