



Capital Liquidity Partnership

Sand Hill IT Security is a Silicon Valley public company with an exclusive focus on IT security. We are committed to helping a target business (merger candidate) achieve its business objectives and become a high performing, global company. Our unique combination of industry knowledge, strategic alliances and access to the currency of publicly traded shares will enable the target company to realize its technology and market objectives.

Through our significant industry expertise, broad resources and network of contacts, we have the knowledge, skills and experience to help improve business performance and increase shareholder wealth.

Sand Hill IT Security is looking for market leaders in a targeted segment, exceptional management teams, substantial revenue and growth potential, and exceptional prospects for value creation.

Our investment strategy provides:

Strong Capital Position

- Merger provides currency of publicly traded shares for making acquisitions
- Merger results in share liquidity, thereby ensuring that the target company is adequately capitalized for future expansion
- If outstanding warrants are exercised, the target company would derive net proceeds of \$40 million

Visibility and Viability

- Customer perception is positively influenced because they see the public company as a more reliable vendor
- Strategic value of our team's industry expertise, contacts for partnering and access to global channels

Corporate Governance Best Practices Experience

- Our management team and directors have extensive independent director board experience, including audit committee and Sarbanes Oxley compliance, with public companies

Why Sand Hill IT Security?

Our team has guided business innovation at technology and IT security's leading companies, including Sun Microsystems and Tandem (now part of Hewlett-Packard). We work closely with industry luminaries whose vision and foresight shape the industry—entrepreneurs, VCs, the investment community and executives at leading technology companies. Our business acumen and deep relationships with board members, CEOs and senior executives in IT security's growth segments will help the target company realize successful and profitable business growth.

Investment Model

COMPANY

- Public company focused on IT Security
- \$24 million IPO completed 7/27/04
- Currency and liquidity of publicly traded shares

MODEL

- \$22 plus million immediate growth capital and potential \$40 million follow on warrants
- Currency for acquisitions
- Instant access to public capital markets
- Joint board

MERGER

- Target company adequately capitalized for future expansion
- Currency, share liquidity, less dilution, no preferred premiums
- Target company retains its identity, team and brand
- Customers perceive more reliable vendor

MANAGEMENT

- Deep IT Security expertise and strong relationships with industry leaders
- Global channels experience
- Completed 20 M&A transactions and 50 equity investments
- Extensive operating and board experience (30 private, 5 public)

BENEFITS

- NASDAQ listing
- Significantly reduced market volatility risks
- Capital accelerates business objectives; more ways to raise money (secondary offering, debt)
- Introduction to potential partners and investors

SUMMARY

- Instant currency and access to public capital markets
- Target company will own majority of combined company
- Combined offering and strengths will encourage rapid expansion
- Low cost, low risk and efficient way to go public

Management Team

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Headquartered in Menlo Park, California, Sand Hill IT Security Acquisition Corp. is a newly organized public company focused on IT security. We have approximately \$22 million in growth capital to be used as all or part of the consideration to complete a business combination with an IT security company.