

WELSH, CARSON, ANDERSON & STOWE TO ACQUIRE ALERT LOGIC

Cloud Security Leader Embarks on Global Expansion

HOUSTON, TX – August 20, 2013 – Alert Logic (www.alertlogic.com), the recognized leader in Security-as-a-Service solutions for the cloud, and Welsh, Carson, Anderson & Stowe (“Welsh Carson”), a leading private equity firm, have entered into a transaction in which Welsh Carson and Alert Logic’s executive management will own a majority shareholder interest in Alert Logic. Selling shareholders include Udata Partners, Covera Ventures, Mercury Fund, OCA Ventures, Access Venture Partners, and Industry Ventures.

Alert Logic’s existing management team, led by chairman, president and CEO, Gray Hall, will continue to operate the business. “Our partnership with Welsh Carson allows Alert Logic to continue increasing the scale of our business to meet the high demand for IT security in the cloud and in virtualized enterprise data centers,” said Hall. “Our strategic focus remains intact and this transaction brings improved access to capital and other resources, positioning us to expand our geographic footprint, strengthen our team and further accelerate growth in our market-leading cloud security offerings.”

In connection with this transaction, Welsh Carson is also investing additional primary capital in the business. These new funds will be used to accelerate growth through both geographic and product line expansion. Geographic expansion is intended to include international markets over the next few years.

Alert Logic specializes in providing a portfolio of Security-as-a-Service solutions for customers of hosting and cloud service providers. More than half of the largest managed hosting and cloud service providers use Alert Logic to secure their customer environments, making Alert Logic the market leader for securing infrastructure in hosted and cloud environments.

“Alert Logic is uniquely positioned to capture the rapidly growing market demand for securing IT infrastructure in the cloud. We do not believe that any other company has Alert Logic’s ability to deploy such a broad portfolio of security solutions in any cloud environment, a multi-tenant SaaS delivery platform that has been proven to scale to big data proportions, or a large established channel of leading cloud and hosting service provider partners,” said Michael Donovan, a Welsh Carson General Partner. “These unique assets combined with a strong management team make Alert Logic an ideal platform for capturing market share in one of the fastest-growing segments of the global IT industry.”

Alert Logic announced last month that it recorded \$10.1 million in GAAP revenue for the fiscal quarter ending June 30, 2013, representing a 43 percent increase over the same period in 2012. The Company is currently operating at an annual revenue run-rate of more than \$43 million



from more than 2,200 customers. Achieving this scale while maintaining this rapid growth rate validates Alert Logic's ability to address the unique security requirements of customers of cloud service providers.

Alert Logic's Security-as-a-Service solutions provide customers four distinct advantages: market-leading security tools, a fully-managed SaaS delivery model, integrated 24x7 Security Operations Center (SOC) services to monitor and provide expert guidance, and the ability to deploy wherever a customer has IT infrastructure, including the cloud.

The transaction is expected to close by the end of August.

Additional Resources Available:

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About Welsh, Carson, Anderson & Stowe

Welsh, Carson, Anderson & Stowe focuses its investment activity in two target industries, information/business services and healthcare. Since its founding in 1979, the Firm has organized 15 limited partnerships with total capital of \$20 billion. WCAS has a current portfolio of over thirty companies. The Firm seeks to (i) invest in growth businesses, (ii) partner with outstanding management teams and (iii) build long-term value through a combination of operational improvements, strategic growth initiatives and complementary acquisitions. The Firm is currently investing an equity fund, Welsh, Carson, Anderson & Stowe XI, L.P. See www.welshcarson.com to learn more.

About Alert Logic

Alert Logic, the leading provider of Security-as-a-Service solutions for the cloud, provides solutions to secure the application and infrastructure stack. By integrating advanced security tools with 24x7 Security Operations Center expertise, customers can defend against security threats and address compliance mandates. By leveraging an "as-a-Service" delivery model, Alert Logic solutions include day-to-day management of security infrastructure, security experts translating complex data into actionable insight, and flexible deployment options to address customer security needs in any computing environment. Built from the ground up to address the unique challenges of public and private cloud environments, Alert Logic partners with over half of the largest cloud and hosting service providers to provide Security-as-a-Service solutions for business application deployments for over 2,200 enterprises. Alert Logic is based in Houston, Texas, and was founded in 2002. For more information, please visit www.alertlogic.com.



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