

**This is an exclusive interview conducted by
www.BackupReview.info with
Mr. Motti Vaknin, CEO of www.BeInSync.com**

- 1. Please give us some background information about your company, such as how it was founded, by who, how long you have been around, where your headquarters are, how many branch offices you have etc. Is your customer base mainly in US or do you have substantial international presence as well?**

BeInSync was founded in 2003 by Sharon Carmel and Tal Barnoach, two experienced entrepreneurs. It's a VC backed by Alta Berkeley, Eurofund and Aviv Venture Capital, headquartered in Tel Aviv, Israel with offices in San Jose, CA. Its flagship product, BeInSync Pro, was launched in late 2004 and since has had over four million downloads worldwide.

- 2. How many employees do you have and how big is your R&D department? What are your best selling products and services and why are they selling so well?**

BeInSync has about 40 employees, with about 20 employees in the R&D department. We have a free personal version of BeInSync that is widely deployed, and we've been selling our BeInSync Pro product to consumers and mobile professionals. We recently launched our BeInSync Business Edition due to large demand by our users, which enables small and medium sized businesses to enjoy the benefits of BeInSync. We see a lot of potential in this market.

- 3. What makes your company and its services different from others?**

BeInSync is unique in the market today because it offers a one-stop solution for user data challenges: protecting it, accessing it, sharing it and keeping it in sync. Instead of installing, maintaining and managing multiple point solutions, it provides a simple integrated solution delivering online backup, secure file sharing, multiple PC synchronization and remote Web access.

When it comes to online storage, BeInSync leverages Amazon Storage Services (Amazon S3). By doing so, BeInSync is able to deliver the industry's most reliable, scalable and affordable online storage and focus on its core competence, building a great service, rather than building a storage infrastructure.

4. One of the biggest concerns of online backup users is data security and privacy. How have you addressed these issues?

BeInSync recognizes that security is one of the most important aspects when dealing with user data, and obviously for an online backup solution. Therefore, it has implemented several layers of security and privacy. Putting it all on Amazon S3 provides a base level of security and reliability as it leverages Amazon's infrastructure, which includes multiple geographically dispersed data centers, ample bandwidth, site and data security measures and more. On top of that, BeInSync has built a strong encryption layer for user data using a 448-bit Blowfish algorithm, a layer encrypting all communication using industry-standard SSL with 256-bit encryption and an authentication mechanism for protecting user privacy.

5. What kind of growth rate have you been experiencing? And what is your expected growth rate for the next few years?

BeInSync has seen tremendous growth. Projecting that forward, we expect a growth of over 300 percent during the next year.

6. How has online backup business evolved in the last few years, and how do you see it further evolving?

As we see it, the backup market has gone through its first fundamental change, which is that disk backup is now more cost effective than tape after many years of using tape as the primary form of backup. We are now witnessing the second phase, which is the shift towards online backup that until very recently, was not feasible. Within this market, there was a major shift just a year ago, in which Amazon (and other players) began to offer storage as a commodity. BeInSync is among the first to embrace this new opportunity and has created one of the industry's most reliable and scalable services without having to build its own storage infrastructure.

What's next? We believe it's not just pure backup. BeInSync believes backup is just one facet, but it's tightly related to the ability to access your data from anywhere, share large amount of data, keep your digital content in sync and more. We're just starting to see this convergence and believe this is the next big thing.

7. Whom do you consider your main competitors?

No single competitor today really delivers the comprehensive functionality that BeInSync delivers. In the online backup space, we see point solutions such as Mozy (recently acquired by EMC) and Carbonite, as competitive to some of the functionality or benefits we provide. The market is huge, but our main competition isn't another company - it is with us to make sure each end user is aware of the explicit need to bullet-proof personal and professional data.

8. Large companies such as Microsoft and major telco's have started offering online backup business. Do you fear them? How do you plan to compete against such formidable adversaries?

We believe our functionality is unique. In fact, we believe telcos and MSPs can be used as good channels for our solution.

9. There has been quite a bit of M&A activity in the industry lately (such as xdrive being acquired by AOL, Microsoft acquiring Foldershare and LiveVault by Iron Mountain, and Evault by Seagate). What is your strategy? (being acquired, IPO, etc...)

We are not building the company with an acquisition in mind. We believe in building a great product and a sustainable business.

10. Are there any new products/services you are developing that will soon be available?

Yes, we are currently completing a couple of large exciting deals with large U.S. partners. Unfortunately, I cannot yet disclose the identity of these partners and will do so over the next few months.

11. What is your opinion about Google entering the online backup business?

BeInSync is uniquely positioned to survive and flourish even in such circumstances. As I mentioned before, we made a decision not to build our own storage infrastructure. So, if Google (or another vendor) offers a storage service we would simply be able to connect to that service. We believe our differentiation is in our software functionality and obviously not in the backend.

12. Do you feel that Google will dominate the market?

See 11. We are agnostic to Google's ownership of online storage since our business focuses on the software rather than on the hardware and storage facilities.

13. What is your annual revenue?

As a private company, we do not disclose our revenue numbers.

14. How does your proprietary technology compare to the proprietary technology of main competitors?

On the backup front, BeInSync has many unique advantages: Using Amazon.com's infrastructure makes it the most reliable and scalable solution on the market, it supports simple yet advanced Continuous Data Protection ensuring files are backed up as soon as they are created or modified, it can retain unlimited old file versions for easy restore, it can backup multiple computers to the same account, and of course – it is doing much more than backup. Synchronization, Sharing and Remote Access make BeInSync a highly unique one-stop solution.

15. What is the most regrettable mistake that you or your company made in the past? How would you handle that mistake if you got a second chance? In the future, say five years from now, do you think the cost of online backup will remain as today or will it go significantly cheaper (For example to backup a 1 GB file)?

Interestingly, we are virtually indifferent to the pricing for online storage. Since we did not build our own data centers and are relying on Amazon S3, we can be sure that no matter what pricing is reached by the industry, we will be able to match it. In any case, our value is not about how much storage we push to customers, since we view storage as a commodity. Our value is in our software. I joined the company in January and so far we've had no regrets. I believe our new focus on the SMB market with BeInSync Business and our upcoming partnerships have tremendous potential.

16. How many subscribers do you have? What is the amount of file you backed up in your servers?

We've seen over four million downloads of our product to date. Our online backup service was launched just a few months ago and we already have many

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tens of millions of files backed up on Amazon S3. Thanks to the Amazon infrastructure, this was made possible without any hiccups.

17. What do you see as the greatest challenges facing your company today? And what are your biggest accomplishments so far?

We have great technology and traction. We now need to execute on our strategy to capitalize on the SMB segment and with our strategic partners.

18. What are the key competing technologies and what are some of the advantages you offer over the competition?

I think I mentioned these already, so I don't want to repeat myself.

19. Can you tell us about your servers? Where they are located, how many backups you perform, if server room is controlled for humidity, temperature and what kind of backup generation system you use?

As mentioned before, one of the key points is that for storage we use Amazon's \$2B infrastructure. It is the same infrastructure used to power Amazon's own \$12B dollar business, so our customers can have complete peace of mind about their valuable data.

20. Any other news about your company you care to share?

BeInSync has recently signed a deal with a major industry player to deliver its technology to millions of users. We plan to announce our new integrated products in the coming months.

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Perhaps some product reviews.