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**ACTIVE REASONING ANNOUNCES NEW DATA CENTER SOFTWARE
SOLUTIONS THAT MANAGE IT PROFESSIONALS
AND THE DELIVERY OF IT SERVICES**

*Operations Monitoring, Change Management and Compliance Solutions Increase
Efficiency, Reliability, and Service Levels for Today's Data Center Needs*

Palo Alto, Calif. – June 14, 2004 – Active Reasoning, a leading developer of policy-based data center management software, today unveiled three new software solutions designed to help companies better manage the delivery of everyday IT services. The three solutions, Operations Monitoring, Change Management and Compliance, provide visibility into individual actions taken on the infrastructure, and guide people's activities according to established IT policies and processes. Active Reasoning's solutions eliminate operational inefficiencies, increase reliability, and strengthen compliance controls to improve service levels that support strategic business functions.

“For most enterprises, improved application availability, service level management, and compliance have been elevated to critical business objectives,” said Marv Tseu, President, CEO and Co-Founder of Active Reasoning. “As a result, IT organizations are leveraging our software to better focus on managing the people and processes supporting the underlying infrastructure.”

Active Reasoning Announces Data Center Management Software 2-2-2-2-2

Despite investments to make the IT infrastructure more reliable, available and efficient, little effort has been spent to support human interactions with the technology. In fact, an estimated 50 percent of IT budgets are allocated to the people infrastructure. At the same time, people remain the primary cause of system downtime, application failure and security infringement through inadvertent mistakes or disregarded policies and processes. Similarly, new compliance initiatives such as Sarbanes-Oxley are driving the need for greater controls within key parts of the IT infrastructure. Active Reasoning's solutions enable enterprises to meet customer demands, maintain service levels, and optimize resources by focusing on the people and processes that support IT service delivery.

OpSource, a provider of outsourced, on-premises and private labeled IT infrastructure services to Global 2000 companies, is an early beta customer with Active Reasoning. Given the nature of its outsourced solution, OpSource must seamlessly and efficiently manage the ongoing change processes for multiple organizations.

“Operations Monitoring, from Active Reasoning, will quickly become an important part of our company's Service Delivery Platform,” said John Rowell, Vice President of Operations and Engineering at OpSource. “By providing a consolidated view of individual activities across diverse and complex infrastructures, Operations Monitoring allows more precise assessments of operational effectiveness and ensures that business objectives and agreed upon service levels are met.”

Service Delivery Solutions

Each of Active Reasoning's three new solutions is focused on a specific intersection of people and technology to address key IT operations challenges:

- Operations Monitoring: Captures a complete record of the activities of users and applications across the IT infrastructure including file changes, logins and process activity. This information provides the required visibility to troubleshoot incidents or better manage the rate of change within the environment.
- Change Management: Enables closed-loop tracking and enforcement of IT change management policies. Changes that are initiated through a change management process or service management system can be tracked through to completion. In addition, change management policies such as users allowed to make a change or authorized time windows can be enforced.
- Compliance: Supports new compliance controls through reporting, policy enforcement and process compliance management. For example, vulnerable infrastructure components can be monitored and reported against for individual activity. Policy violations such as unauthorized access or changes to files can be tracked or prevented through the Compliance solution.

“We are seeing a lot of interest in extending and strengthening change management processes within the new data center,” said Glen O’Donnell, Program Director, Meta Group. “Companies like Active Reasoning are at the forefront addressing the pain points that IT operations faces on a daily basis.”

Active Reasoning Announces Data Center Management Software 4-4-4-4

Technology Foundation

Active Reasoning's solutions are built upon an industry-standard J2EE foundation. Through lightweight probes installed on managed devices, the Active Reasoning system detects changes in real time and enforces policies and processes such as direct access or command execution. All collected data is stored in Active Reasoning's time-based information model for future reporting and analysis. Finally, the solutions can be integrated with other leading Service Management or data center management tools to create closed-loop change management or integrated operations solutions.

Pricing and Availability

Active Reasoning's Operations Monitoring, Change Management and Compliance solutions will be available in Q3 2004. Pricing for each solution starts at US\$70,000.

About Active Reasoning

Active Reasoning develops policy-based data center management software that tracks, guides, and orchestrates people's actions in the delivery of IT services. By managing the intersection of people and technology, the company's solutions strengthen change management, IT operations and process management, and compliance activities. Active Reasoning is a privately held company founded in 2002 and headquartered in Palo Alto, Calif. Active Reasoning's investors include ArrowPath Venture Capital, ComVentures, and ONSET Ventures. For more information, visit the company's website at www.activereasoning.com or call +1.650.404.9900.

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