



**PRESS RELEASE  
FOR IMMEDIATE PUBLICATION**

## **ICEWEB CEO COMMENTS ON MERGER & ACQUISITION ACTIVITY IN THE DATA STORAGE MARKET**

*STERLING, Va. – (PR NEWSWIRE) – September 3, 2010* – IceWEB™, Inc. (OTCBB:IWEB), [www.iceweb.com](http://www.iceweb.com), a leading provider of Unified Data Storage and building blocks for cloud storage networks, sees favorable trends in merger and acquisition activity in the data storage market.

John R. Signorello, Chairman and CEO of IceWEB, Inc., commented, “We are seeing some very exciting activity in the data storage market over the past few years. The recent bidding war for data storage provider 3PAR between Hewlett-Packard and Dell has triggered a great deal of attention to the sector.”

On Monday, August 23, 2010, Hewlett-Packard Co. launched a bidding war for data-storage provider 3PAR Inc., making a \$1.8 billion bid that is one-third higher than what rival Dell Inc. agreed to pay for the company. On Friday, August 27, Dell matched HP’s offer of \$1.8 billion, only to be countered again by HP offering \$2 billion for the company. On Thursday, September 2, after a two-week bidding war between the technology giants, HP offered \$33 per share putting the final price tag at \$2.35 billion and Dell threw in the towel.

Both PC makers were looking at 3PAR as a way to build up their “cloud computing” businesses, delivering software, data storage and other services to customers via the Internet. 3PAR could also help them cut data storage expenses.

The offer from HP comes as technology companies appear to be increasing merger and acquisition activity as cash levels sit at record levels, highlighted by the \$7.68 billion deal between Intel Corp. and McAfee Inc. The all-cash deal announced Thursday, August 19, 2010, marks the biggest acquisition in Intel’s 42-year history. It is the sixth biggest deal globally between two technology companies over the past 3½ years, according to Capital IQ, a division of Standard & Poor’s.

In 2009, EMC acquired all of the outstanding shares of Data Domain common stock for \$33.50 per share in cash.

In 2008, HP Acquired LeftHand Networks For \$360 million. Also in 2008, Dell acquired EqualLogic for \$1.4 billion.

The most attractive acquisition candidates offer something innovative that no other company offers. For example, the software 3PAR offers is designed to maximize available space on data storage hardware -- a cost-cutting step -- by using a technique called “thin provisioning,” by which extra capacity can be added as needed.

According to Senior Analyst, James E Bagley, of Storage Strategies NOW, IceWEB’s Unified Storage, “Has a combination of technologies to maximize the capacity efficiency of the storage infrastructure. Built in compression

ensures that highly compressible files are stored efficiently. Thin Provisioning means that blocks are not allocated until written to, meaning the administrators can assign arbitrarily large volumes to servers without paying the penalty of a lot of wasted space. The most significant advantage is inline deduplication. Similar files used by multiple servers or virtual desktops are stored as single images within the storage pool. This can result in efficiencies as high as 95% in environments with many similar servers. This combination of features is unprecedented and together means that the overall cost per usable terabyte is one of the best in the industry.”

### **About IceWEB, Inc.**

Headquartered just outside of Washington, D.C., IceWEB manufactures and markets data storage products. For more information, please visit [www.IceWEB.com](http://www.IceWEB.com).

*This press release may contain forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In some cases you can identify those so-called "forward looking statements" by words such as "may," "will," "should," "expects," "plans," "targets," "believes," "anticipates," "estimates," "predicts," "potential," or "continue" or the negative of those words and other comparable words. These forward looking statements are subject to risks and uncertainties, product tests, commercialization risks, availability of financing and results of financing efforts that could cause actual results to differ materially from historical results or those anticipated. Further information regarding these and other risks is described from time to time in the Company's filings with the SEC, which are available on its website at: <http://www.sec.gov>. We assume no obligation to update or alter our forward-looking statements made in this release or in any periodic report filed by us under the Securities Exchange Act of 1934, as amended, or any other document, whether as a result of new information, future events or otherwise, except as otherwise required by applicable federal securities laws.*

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