Statement of Anthony Wanger, President IO Data Centers, LLC
House Subcommittee on Small Business
Hearing Date June 19, 2013

About Anthony Wanger: Anthony Wanger is President and Founder of IO. In this capacity, Mr. Wanger directs the Company's expansion and acquisition activities, conducts key transactions and manages the Company's Legal, HR, Security, and Risk Management functions. Mr. Wanger has led IO's expansion and development across the world. Prior to his involvement with IO, Mr. Wanger co-founded and managed Sterling Network Services, LLC ("SNS"), a leading enterprise data center services provider. Earlier in his career, Mr. Wanger was a private equity investor and served as Senior Vice President at Sterling Partners where he directed a variety of investments and transactions for the firm. Mr. Wanger graduated with a Bachelor of Arts degree in Political Science from Emory University and a Juris Doctor degree from the Boston University School of Law.

Anthony Wanger's Personal Story: Mr. Wanger was born and raised in the Chicago area. He comes from several generations of American small business entrepreneurs. On his father's side, his father and grandfather ran a retail apparel business. Mr. Wanger's mother created and ran a successful personnel recruiting firm. Mr. Wanger's father-in-law spent his life as a manufacturer. Mr. Wanger operated a tropical fish business before he was twelve and ran an "odd jobs" business on weekends during high school. After college, Mr. Wanger went to law school but after a couple of years of corporate legal practice, he determined that he wanted to build businesses and left the practice of law for the world of private company finance and creation.

Prior to IO: In 2002, Mr. Wanger secured an opportunity to fix a broken business. Mr. Wanger, his wife and two year old daughter moved to Arizona to execute a "workout" plan he had written for a real estate development with financial challenges. Mr. Wanger wrote a business plan to convert the building into the operating asset of an enterprise data center services business. Mr. Wanger identified two great partners – George and Bill Slessman – with whom he formed and ran the SNS business. The SNS business scaled rapidly, employed almost two dozen people and created substantial value for its investors. In mid-2006, the SNS business was sold to a public company for $178 MM, representing a successful exit for the original owners; this afforded Mr. Wanger and his partners the working capital to start IO.

Founding IO: After the sale of SNS, Messrs. Wanger, Slessman and Slessman decided to launch a new entrant in the data center industry – but were committed to doing things differently. Having identified a lack of innovation in the industry, the team determined to use technology, mass production and software to improve the data center solutions available to enterprise customers. To get started, the team bought a folding table from Costco, three laptop computers (on sale) and some used office chairs. In six years, they created an industry leader with hundreds of employees, manufacturing and service operations throughout the USA, and expansion activities in Singapore and London. A thought leader and a technology innovator, IO has received numerous industry awards and had 3 patents issued in the USA -- with 22 additional patent applications filed or pending.

About IO Technology: IO is a global leader in software-defined data centers and pioneered the next generation of data center infrastructure technology. IO's technology is used by small and large

businesses to deploy, provision and optimize public and private "cloud" capacity. Such capacity is the lifeblood of the digital economy and is used to provide key services to industries including financial services, education, entertainment, healthcare, retailing and more. Additional information on IO can be found at www.io.com.

Made in the USA: IO is proud to say that our products and technology are "Made in the USA". We manufacture our data center modules exclusively in Chandler, AZ and we utilize a domestic workforce to write the software that operates our great products. IO views its manufacturing operation as a key strategic asset. The Company has been recognized by several industry associations as a leader in the data center industry and is one of the fastest growing technology companies in its market. IO believes that its great workforce and culture of relentless innovation and service are keys to its success.

What We Do: IO developed an integrated hardware and software data center technology platform, which we refer to as IO Intelligent Control. This platform offers enterprises, governments and service providers an innovative way to deploy, provision and optimize data center capacity anywhere in the world. Data center capacity is used to create public and private "clouds". Our technology lowers the total cost of data center ownership compared to traditional data centers and enables data center capacity to be dynamically deployed and managed based on the needs of the equipment and applications used in the data center.

The Problems We Solve: The traditional approach to building and operating a data center is expensive and inflexible. Without utilizing IO's modular and pre-fabricated approach, the planning, building and deployment of traditional data centers is engaged as a real-estate construction project. That approach requires large upfront capital requirements, extended delivery times, cost overrun risks, limited scalability and operating inefficiencies. Further, the lack of software integration and control limits the ability of data center operators and users to monitor, analyze and optimize the data center and the IT equipment and applications that it contains. This traditional approach is not aligned with the rapidly evolving attributes of, and innovation in, modern IT.

To solve these challenges, IO developed a next generation data center infrastructure technology platform. The key elements of our IO Intelligent Control platform, which we offer to our customers as a product or as a service, are:

- *IO.Anywhere*: A family of standardized, manufactured, factory-tested, UL-listed data center infrastructure modules, available in standard increments of power, cooling and IT capacity, that can be deployed on a just-in-time basis globally.

- *IO.OS:* The first complete data center operating system that manages both IO.Anywhere and legacy data center infrastructure and provides integrated visibility across data center infrastructure, IT equipment, applications and users of the data center, providing real-time control, optimization and automation of the data center.

The IO Intelligent Control platform can be purchased as a product or as a service, and can be deployed at a customer's primary data center, at a remote location, or at a data center hosting site owned by IO or one of our partners.

Our Services: In addition to manufacturing and selling our platform to customers, we often host and run that data center infrastructure on their behalf. Our services offering, which we refer to as DCaaS, allows customers to deploy their IT equipment in one of our data center locations in Phoenix, Scottsdale, Ohio or New Jersey. Customers can deploy IT in a single cabinet in a shared module or deploy it in one or more dedicated modules. Since 2011, we have delivered this service leveraging our Intelligent Control platform, which enables our customers to deploy and provision capacity based on their needs and pursuant to long-term agreements.

Our Workforce: IO employs a workforce of approximately 385 people. We operate a 160,000 square foot factory in Chandler, AZ. In addition we run 4 IO Data Centers (2 in AZ and 1 each in NJ and OH). Our headquarters are located in Phoenix, AZ. In addition, we generate significant employment via our IO Ecosystem of strategic partners. Our existing operations, distributed sales force and ongoing expansion activities give IO a front row view of the interplay between small business and global markets, and the associated impact on local communities across the USA.

The IO Factory: The IO Factory in Chandler, Arizona employs over 100 highly skilled workers, with more hires this year than any other IO department (31 YTD). Key roles at the Factory include Quality Assurance, electric technicians, assembly technicians, controls technicians, buyers and manufacturing and platform engineers. In addition, a variety of other IO headquarters employees support the IO Factory, including engineers, software developers, product specialists, integrators and others.

We chose to locate our manufacturing capabilities in the USA for two reasons:

1. Highest quality production and stringent quality control are essential to our business model. We believe we build the best data centers in the world for the most demanding customers.   The IO.Anywhere data center module was the first module ever to receive the validation of UL-listing.   Because every data center deployed by IO and our customers is made in the USA, we have confidence that our technology is ready for the demanding and "always on" requirements of our customers.

2. IO wants to be part of the solution. Our people are our lifeblood, and we are hiring at the rate of 1 employee per workday. Without the best talent, no one in this room will win the day. We want people who are skilled in math and science and who want to change an industry.   We work with outstanding American university partners including Michigan, ASU and MIT on our hardware and manufacturing processes, and have plans to expand our innovation and research activities.

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The United States is the global leader in technology and IO is pleased to join a great legacy of American innovation and achievement as we help our customers build out the global internet.   IO technology is used every day to improve the security, performance and affordability of enterprise data centers.

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Supporting Data Regarding IO

- Number of Employees: As of June 10, 2013, IO had 366 US employees (385 global).

- Number of Customers: As of March 31, 2013, IO had over 600 customers.

- 2007-2013 Headcount Snapshot (see attached chart):

IO Employee Count at 1/1/07	4
IO Employee Count at 1/1/08	16
IO Employee Count at 1/1/09	26
IO Employee Count at 1/1/10	49
IO Employee Count at 1/1/11	76
IO Employee Count at 1/1/12	181
IO Employee Count at 1/1/13	266
IO Employee Count at 6/10/13	385

- List of states with IO Full Time Employees:

  o Arizona
  o California
  o Connecticut
  o Colorado
  o Ohio
  o New Jersey
  o Texas
  o Illinois
  o Georgia
  o Nevada
  o South Carolina
  o Wisconsin
  o Virginia
  o Washington

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- Dollars raised in Equity and Debt since inception of business:

    - **May 2013:** $260 MM in multi-year credit facility

    - **Oct 2012:** $90 MM in equity

    - **Summer 2012:** $85 MM in growth capital

    - **April 2011:** $105 MM in growth capital

    - **October 2010:** $150 MM senior long term credit facility; and

                             $70 MM secured facility

    - **December 2008:** $56 MM growth equity investment

    - **October 2006:**   Founders Investment (undisclosed)

- Growth trajectory:

    - **2007**:   Commenced operations in Scottsdale, AZ

    - **2009**:   Opened a second data center in Phoenix, AZ

    - **2011**:   Opened Edison, NJ data center

    - **2011**   Began selling our IO.Anywhere hardware and IO.OS software.

    - **2012**:   Opened Springboro, OH data center

    - **Q3 2012:**   Executed a major 10-year contract for our technology platform

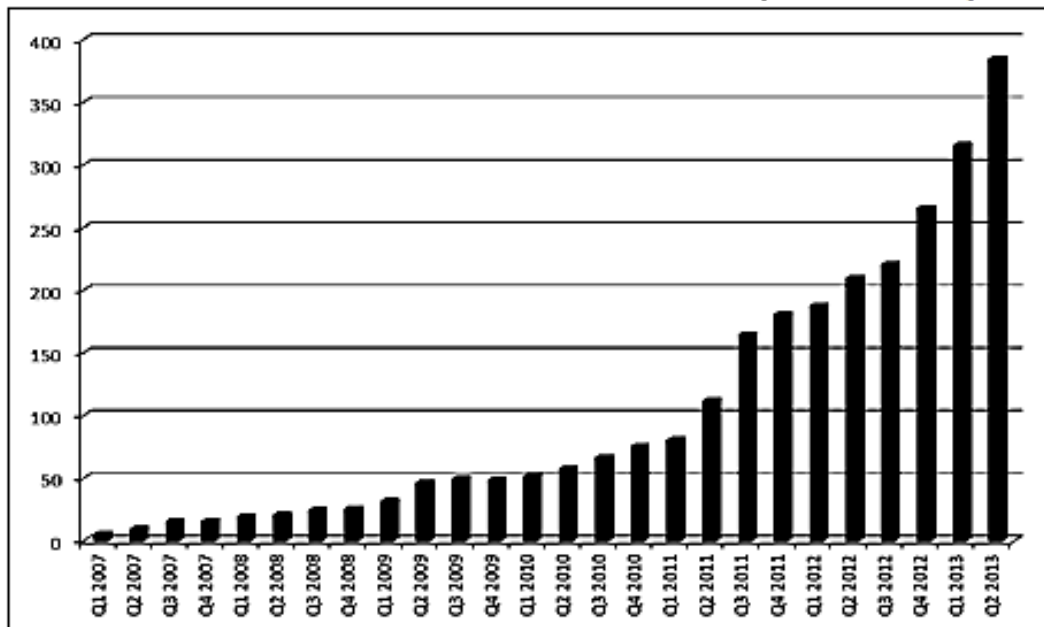   - **Q3 2012**:   Announced our global expansion roadmap

Exhibit A – Headcount Growth

IO Headcount Growth ('07-'13)

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Exhibit B - IO Factory Image

Exhibit C – Cut Away Image of an IO.Anywhere Module

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Exhibit D - IO Modules Landed in Singapore