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**Pegasus Teams up with InPhase Technology
to Provide Holographic Storage Solution**

San Ramon Calif, April 15, 2004 –Pegasus Disk Technologies announces that it intends to support holographic storage with its archive file system. Traditionally InveStore has provided archive data protection with write-once, secure optical drives and libraries as a necessary part of an archive strategy to ensure compliance with many governmental regulations. Now Pegasus is announcing its intention to extend its hardware support with holographic storage devices.

InPhase Technologies, the leading developer of holographic storage drives and media, is working with Pegasus to provide archival holographic storage solution. Pegasus provides the archive media connectivity for the Windows operating system as part of a total data storage solution.

“Pegasus is very pleased to be working with InPhase to create a file system for archive support for holographic technology,” said Roy Slicker, President and CEO, Pegasus Disk Technologies. “Holographic storage devices are on the very forefront of archive technology, however the expected data storage capacities on a single disk along with the expected low cost of the media will drive archive storage to an all time low total cost of ownership.”

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Holographic data storage is an optical technology that breaks through the density and performance limits of conventional storage. High capacities are achieved by recording hundreds of pages of data through the depth of the material, not just on the surface like all other recording technologies. For example, over 16 MB of data will be stored in a 1 mm diameter location.

Fast transfer rates are achieved by recording and playing back a page of data containing over 1 million bits in a single 1-2 millisecond exposure of the laser. This enables transfer rates significantly higher than current optical storage devices. Combining high storage densities, fast transfer rates, with durable, reliable, low cost media, make holography poised to become a compelling choice for next-generation storage and content distribution needs. In addition, the flexibility of the technology allows for the development of a wide variety of holographic storage products that range from handheld devices for consumers to storage products for the enterprise. First generation products are expected to reach 200 GB on a 130mm disk with data transfer rates of 20 MB/s.

“Information is continually increasing in value, and InPhase is very excited to be partnering with Pegasus to provide customers the ability to cost-effectively access and manage large archived files for the life of their digital assets,” said Liz Murphy, vice president of marketing for InPhase Technologies.

InveStore is an easy to implement software solution for managing storage devices under Windows[®] NT, XP, 2000 and 2003 Server and Storage Server. It provides Explorer-like functionality, while maintaining compatibility and support for the historical media and devices that are used for storage management. It also provides for the ability to expand single-volume limitations, spanning multiple volumes for increased data

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archival capability. InveStore goes beyond similar products by providing greater functionality and enterprise level control of secondary storage systems and their individual components.

Pegasus will be available at the National Association of Broadcasters in Las Vegas, NV April 17-22 with InPhase in their technology suite at the Las Vegas Hilton.

About InPhase Technologies

InPhase Technologies is the leading developer of holographic data storage (HDS) recording media and systems. Based in Longmont, Colorado, InPhase was founded in 2000, as a Lucent Technologies (NYSE: LU) venture, and is comprised of some of the storage industry's leading executives, scientists and engineers. InPhase is backed by venture capital investors including New Venture Partners LLC, Signal Lake Ventures, Madison Dearborn Partners, Newton Technology Partners, Yasuda Enterprise Development, Japan Asia Investment Company, and Mr. B.J. Cassin. Corporate investors include Hitachi Maxell, Ltd., Imation Corp. (NYSE: IMN), and ALPS Information Technology Fund. For more information on InPhase, please visit the company's Web site at www.inphase-tech.com.

About Pegasus

Pegasus Disk Technologies, Inc., headquartered in San Ramon, CA develops archive management software for secondary storage and archive devices from leading manufacturers. Founded in 1988, Pegasus has developed long-term strategic partnerships with leading developer ISVs and OEMs that use its products to manage storage devices within their applications. Pegasus is located at 2333 San Ramon Valley Blvd., San Ramon, California, 94583 and can be reached by phone at (925) 314-1800, by fax at (925) 314-1801 or on the World Wide Web at <http://www.pegasus-afs.com>.

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