THE STORAGE NETWORKING INDUSTRY ASSOCIATION

ANNOUNCES THE ANNUAL MEETING OF MEMBERS FOR 2008

WILL BE HELD ON MONDAY OCTOBER 13, 2008

DURING STORAGE NETWORKING WORLD FALL 2008

DALLAS, TEXAS USA
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Dear SNIA Members and Industry Colleagues,

It is my pleasure to report to you on the considerable accomplishments of the SNIA in 2007. As we looked back with pride in celebration of our 10-year anniversary, we also moved resolutely to address the requirements of tomorrow. By implementing important and significant changes, the SNIA continues to focus on meeting the evolving needs of its members and the industry at large.

We have come a long way since 1997, when a group of storage industry leaders joined together and launched a consortium that would not only advance the industry, but also unite it around common values and objectives. Continuing to build on this solid foundation, as part of its 10th anniversary activities, the SNIA unveiled a newly expanded mission and vision, which further positions the association to lead the industry in developing and promoting standards, technologies, and educational services to empower organizations in the management of information. In responding to the growing need for supporting information management strategies, notably in the Enterprise, the SNIA is using its collective expertise to address expanded storage market ambitions for the benefit of the broader technology industry.

The SNIA’s 10th anniversary also marked the completion of a major re-branding initiative, including the unveiling of the organization’s renewed and robust Web sites, simultaneously launched throughout the world. In collaboration with SNIA Regional Affiliates and Forums in Europe, South Asia, India, Japan, China, and Australia/New Zealand, the SNIA’s logo and Web site evolution echoes the organization’s expanded mission and vision, empowering storage users to better support information management.

In this energized climate, the organization’s core programs continue to flourish. 2007 saw the creation of the SNIA’s industry-leading Green Storage Initiative, dedicated to advancing energy efficiency and conservation in all networked storage technologies. 2007 also included key new developments in the eXtensible Access Method (XAM) specification, which was demonstrated for the first time in a multi-vendor fixed-content solution at Fall Storage Networking World (SNW), and the formation of the XAM Initiative. In addition, the organization made significant progress in the areas of File Area Networks (FAN) and Management Frameworks.

We enjoyed highly successful SNW events in the U.S. and around the world, and this strategic partnership between Computerworld and the SNIA continues to provide us with unique opportunities to showcase our successes and reach attendees worldwide. In 2007, more than 100 SNIA Tutorials were offered during SNW in the U.S. alone, with additional programs such as the Hands-on Lab delivering added value to the industry. The SNIA also continued to produce its own popular events, including the Storage Developer Conference (SDC), as well as our important general and technical Symposia.

The SNIA’s Forums and Initiatives continue to play a key role in the organization’s success. Their programs, such as those driven by the Data Management Forum (DMF) – which in 2007 published the report of its 100-Year Archive Business and IT Requirements Survey – and the IP Storage Forum (IPSF) – which recently added a Product Showcase and Solutions Directory to its Web site – have helped to assert the SNIA’s role in addressing important IT user challenges. Additionally, one of our flagship programs, the Storage Management Initiative (SMI), continues its momentum toward gaining industry endorsement as a standard specification. This was also an important transition year for the Storage Security Industry Forum (SSIF), as they developed current best practices documentation and made preparations for upcoming industry developments.
2007 was also a record-breaking year in education certification, with over 1,000 storage professionals taking our certification tests. The work of our Forums and Education Committee continues to result in the SNIA’s highly valued tutorials and technical training, as evidenced by their popularity at SNW and other industry events, such as IDG’s Next Generation Data Center conference.

The SNIA continued its strong global presence, with affiliates in Australia/New Zealand, Canada, China, Europe, India, Japan, and South Asia playing a key role in addressing the needs and requirements of the local storage and information management marketplace. For example, the SNIA Academy success was confirmed throughout the European, Middle East, and African (EMEA) region. SNIA re-engaged with IT users in Australia. The SNIA also announced in 2007 the formation of its first regional Technical Work Group – the Filesystem Management Regional Technical Work Group (FSM RTWG) for India.

Helping guide the organization through the many milestones of 2007 was our new Executive Director, Leo Leger, who we welcomed to the SNIA in April. A technology industry veteran with extensive experience in business development, organizational leadership, creative marketing, sales, and strategic alliance development, he will continue to be instrumental in supporting all facets of the organization in line with our mission and vision as we move forward.

Along with the SNIA Board of Directors, I would like to thank everyone who contributed to our accomplishments this year, including the committee and workgroup volunteers, the committee chairs, our Forum and Initiative teams, the SNIA staff, and the past and current SNIA leaders. 2007 was a momentous year – one in which we celebrated past achievements, while laying the groundwork for even greater success in the future. As you peruse the ‘Year in Review and Look Ahead sections of this Annual Report, please remember that we could not do the work of the SNIA without our passionate and dedicated volunteers. For that we thank you, and we look forward to your continued support in 2008.

Vincent Franceschini
Chairman, SNIA Board of Directors
SNIA Standards and Technology

In 2007, the SNIA’s Technical Council, Technical Work Groups (TWGs), Standards Committee, Initiatives, and Forums continued to deliver significant technical advancements, which play a key role in the management of information. As the SNIA identifies new opportunities to drive the alignment of storage technologies with information management requirements, such as standards and software, best practices, education, and alliances, the organization remains the association of choice to drive and support data storage and storage networking projects and initiatives.

STORAGE MANAGEMENT

The designation in 2006 of the Storage Management Initiative specification (SMI-S) as an International Standard by the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) has further accelerated the already widespread adoption of SMI-S by storage vendors and IT users worldwide. The SNIA continues to expand SMI-S capabilities in an effort to meet global IT users’ needs for rapidly evolving storage technologies, releasing a working draft of SMI-S Version 1.3.0, Rev 4, for public review in July of 2007.

Success of the SMI-S standard is reflected in the more than 500 products from over 27 SNIA member companies having implemented the standard and achieved certification of conformance to the standard under the SNIA Conformance Testing Program (SNIA-CTP). The program was developed to help ensure Enterprise and storage management products deliver on the benefits of the fast-evolving SMI-S standard. As of December 2007, five vendors are now shipping products that have passed the SMI-S v1.2 conformance testing.

In addition, the SNIA’s Technology Center, located in Colorado Springs, Colorado, hosted eight, week-long “plugfest” events in 2007 for the continued development of SMI-S. This industry-wide, collaborative program continues to bring engineers together to help companies accelerate the development and implementation of SMI-S-based Client and Provider products.

MANAGEMENT FRAMEWORKS

The broad implementation of SMI-S has laid a solid foundation for further work in reducing the cost and complexity of managing distributed storage resources. In addition to continued improvements in the SMI-S standard, the SNIA is now standardizing the common components that make up a management client. The interface to these components is being standardized in the new Management Framework Reference Architecture, which was posted for public review in June of 2007.

The Management Framework Reference Architecture includes infrastructure, core, and domain-specific services designed to support the Enterprise-level services necessary for the management of storage. The result is that end users will gain access to a broader set of functionality from multiple vendors – more quickly – resulting in a lower cost of management.

XAM

The SNIA’s xTensible Access Method (XAM) specification – which delivers a universal way for users to store and access unchanging or fixed data, regardless of the application that created it – was demonstrated for the first time in a multi-vendor fixed content solution at SNW Fall 2007. By decoupling storage systems from data applications, XAM protects end user information from technology lock-in and meets long-term digital information retention requirements.
YEAR IN REVIEW

SNIA Standards and Technology

The XAM working draft was published for public review in May of 2007, and was designed to address the need for interoperability, information assurance (security), storage transparency, and long-term records retention and automation for Information Lifecycle Management (ILM)-based practices. The SNIA is working to advance the XAM Specification to become a SNIA Architecture, then an American National Standards Institute (ANSI) standard, and then an ISO standard.

In addition, the XAM Software Development Kit (SDK) TWG has been chartered by the SNIA to develop a XAM software reference implementation, along with supporting developer tools, to accelerate the adoption of XAM and to improve consistency of an implementation for better interoperability. The SNIA will advance the XAM SDK beyond use of the SNIA membership, to be available to the public-at-large.

ADDITIONAL DEVELOPMENTS

In 2007, the organization continued its significant progress in IP storage, with the adoption of its iSCSI Management API (IMA) specification as a standard by ANSI (ANSI 411-2007). Work on IMA will continue, with the expected release of Version 2.0 in 2008.

The SNIA also continued to move aggressively to meet the evolving needs of the industry through the formation of two new and highly-relevant TWGs. The SNIA’s Green Storage TWG focuses on the carbon impact of the complex of servers, switches, directors, storage arrays, and tape subsystems that compose data center storage networks. To be effective, standard metrics must be a realistic reflection of efficiency: work accomplished per energy expended, allowing a determination of clear costs for operations. This TWG, with the support of the SNIA’s Green Storage Initiative, is working to create useful metrics for users.

The organization also formed a new TWG to create SNIA software to implement Version 4.0 of the Network Data Management Protocol (NDMP) standard. NDMP addresses the challenges associated with backing up multi-vendor network attached storage systems, and the SNIA software will help accelerate the already widespread adoption of the NDMP standard by storage vendors and Information Technology (IT) users in all markets worldwide.

In addition, the successful SNIA Technology Center Champions Program continued its momentum in 2007. Through the useful contributions from our Champions, this program ensures that the latest technologies are implemented and used for the development of storage standards and interoperability testing, as well as educational programs and solution demonstrations of cutting-edge technologies at SNIA conferences around the world. Technology Center Champions for 2007 included ADIC Corporation, HP StorageWorks, Inc., McData, NetApp, QLogic Corporation, Raritan Corporation, and Symantec Corporation.

Building on the accomplishments of 2007, the SNIA standards pipeline remains full for 2008. In addition to the planned releases of XAM and the latest Version of IMA, in 2008 the SNIA expects to see the release of the Common RAID Disk Data Format (CDF) Version 2.0, as well as SMI-S Version 1.3. Important work also continues on the Multipath Management API (MPMA), as well as the I/O Traces, Tools, and Analysis (IOTTA) worldwide repository for storage-related I/O trace collection and analysis tools, application workloads, I/O traces, and best practices.
SNIA Initiatives and Forums

SNIA Initiatives and Forums make significant contributions to the mission of the organization, with many of the association’s successes originating from these groups.

SNIA Initiatives

GREEN STORAGE INITIATIVE

The SNIA’s recently formed Green Storage Initiative (GSI) will complement the work of the SNIA’s Green Storage TWG. The GSI is dedicated to advancing energy efficiency and conservation in all shared storage technologies, which will help minimize the environmental impact of data storage operations.

As part of its activity, the GSI is helping member companies design more energy efficient products, as well as offering education that can help contribute to energy efficiency. The GSI also acts as the SNIA liaison to other environmental organizations, such as The Green Grid and the U.S. Environmental Protection Agency, to collaborate on the development of more environmentally friendly data center solutions. As the umbrella organization for storage-related hardware and software vendors, resellers, integrators, and end users, the SNIA is raising consciousness around environmentally responsible storage networking practices and identifying means to resolve the contradiction between data growth and growing power scarcity.

STORAGE MANAGEMENT INITIATIVE

In 2007, the SNIA streamlined its SMI-S operations by re-forming the Storage Management Forum as the Marketing Subcommittee of the Storage Management Initiative (SMI). All SMI-S and related work now share a common organizational umbrella – from specification design and authoring, to development, testing, and worldwide educational and promotional activities – providing a single collaborative structure for increased efficiency and speed. The SMI also supports the Management Frameworks TWG, and manages the SMI-Lab and the SNIA Conformance Test Program (SNIA-CTP) for SMI-S, which was expanded in 2007 to test storage products for conformance to Version 1.2 of SMI-S.

The unified approach of SMI has resulted in increased momentum for SMI-S and enhanced value to the industry. With more than 500 products from over 27 SNIA member companies having implemented SMI-S and achieved certification of conformance to the standard under the SNIA-CTP, SMI continues to ensure ongoing traction for the standard in the marketplace.

XAM INITIATIVE

Formed in 2007, the XAM Initiative is driving adoption of the XAM specification by building a community that includes storage vendors, independent software vendors, and end users, ensuring that the specification fulfills market needs for a fixed content data management interface standard. XAM Initiative members are playing a key role in coordinating activities across two TWGs. The first, the Fixed Content Aware Storage (FCAS) TWG, is chartered to serve as the center of technical activities related to new application-level interfaces for storage of unchanged data (fixed content) and associated metadata. The second is the XAM Software Development Kit TWG (XAM SDK TWG), which is a SNIA Software Development project chartered to develop SNIA Software that implements current and future versions of the FCAS TWG XAM Specification(s). The software created will adhere to the SNIA Software adoption process and be made available to non-SNIA members.

At SNW Fall 2007, the XAM Initiative provided a multi-vendor demonstration utilizing the specification for the first time. The demonstration showed a universal way for users to store and access unchanged or fixed data regardless of the application that created it or the storage it resided on. Four distinct multi-vendor information management applications based on the SNIA XAM specification were showcased, illustrating XAM’s ability to protect end user information from technology obsolescence and lock-in.
YEAR IN REVIEW

SNIA Initiatives and Forums

With significant progress and momentum, more than 45 companies – which include software providers, storage vendors, and application developers – are actively collaborating within the XAM Initiative and its two associated TWGs in 2007. Through its highly successful programs, the XAM Initiative is ensuring the adoption, implementation, and deployment of XAM programming interfaces for fixed content solutions.

SNIA Forums

DATA MANAGEMENT FORUM

In 2007, the SNIA Data Management Forum (DMF) continued to provide broad programs designed to help define, implement, qualify, and teach improved and reliable methods for the protection, retention, and lifecycle management of electronic data and information. The DMF’s three initiative-based workgroups, the Data Protection Initiative (DPI), the Information Lifecycle Management Initiative (ILMI), and the Long-Term Archive and Compliance Storage Initiative (LTACSI), deliver numerous tutorials and educational materials, and each forms relevant Special Interest Groups (SIGs) and Task Forces as industry needs dictate.

One such task force, the DMF ILMI Professional Services Task Force, completed its work in early 2007. The mission of this task force was to look at the areas of commonality shared by Professional Services practitioners with regard to ILM engagements. The goal is to review common areas of terminology, process, and scope in order to identify areas that all vendors share in common. The task force developed a number of resources including a whitepaper and SNIA tutorials.

Due to the growing interest in Data Deduplication and Space Reduction solutions, the DMF Data Protection Initiative was tasked with forming a Special Interest Group focusing on this topic. Formed in late 2007, the Data Deduplication and Space Reduction SIG has already begun developing data deduplication and space reduction related educational, marketing, and best practices materials.

Another key milestone for the DMF and its 100 Year Archive Task Force was publishing the 100 Year Archive Business and IT Requirements Survey report. The report is the culmination of 18 months of work, and reflects input from 276 records and archive practitioners who participated in the survey. The results captured the operating practices, requirements, and issues facing organizations that are required to retain large amounts of digital information for the long term. Overall, those surveyed felt that current practices are too manual, prone to error, costly, and lack adequate coordination across the organization. In addition, information classification and collaboration between those who own information and administering groups were both recognized as very important practices that can be implemented now. The requirements identified in this report will guide the work of the Data Management Forum moving forward.

An important accomplishment of the DMF in 2007 was its pivotal role in SNIA’s participation in the second annual Enterprise Information World (EIW) event, held August 7-9, 2007, in San Francisco. With a focus on the tools, technologies, and strategies essential for safeguarding corporate assets, DMF member companies developed workshops and presentations for EIW attendees covering the topics of information management practices, data protection strategies, and the preservation of digital information.
SNIA Forums

IP STORAGE FORUM
The IP Storage Forum (IPSF) was created to drive the broad adoption of IP-based SAN solutions around the world by:

- Promoting the features and benefits of IP Storage, enabling customers to take advantage of their IP networking investment as they expand their networked storage assets
- Enabling vendors to collectively educate end users, channel partners, and vendor partners on IP storage technologies, applications, and solutions
- Providing a vendor-neutral venue to describe and demonstrate IP storage solutions in real-world contexts

The IPSF executes its charter through education, promotion, and events around the world, with a primary focus on seminars, SNIA tutorials, industry events, and hands-on demonstrations. Over the past year the group has made significant improvements on its external Web site, with the addition of a Product Showcase and a Solutions Directory, which provide IT professionals with searchable detailed product information and customer case studies supplied by IPSF member companies.

STORAGE SECURITY INDUSTRY FORUM
In 2007, the Storage Security Industry Forum (SSIF) published a revised set of best current practices for storage security, which play an important role in increasing knowledge and awareness of what may be categorized as information assurance – information security, networking and communications security, host-based security, and data security. Designed for use by practitioners, IT architects, IT managers, and corporate executives, especially Chief Information Officers and Chief Security Officers, the “SNIA Storage Security Best Current Practices (BCPs) Version 2.0” document features technology-specific guidance, as well as core practices for general storage, storage systems, and storage management security. The SSIF coordinates with the SNIA’s Security TWG, which contributed to the BCPs.

In addition, the SSIF’s 2007 accomplishments included its preparations for the SSIF Storage Security Summit, held January 30 - February 1, 2008, in Santa Clara, California. The only educational industry event specifically targeted to understanding the upfront and continuing effort required to secure the storage layer, the event featured top industry speakers in sessions that addressed issues and challenges of storage security, research and futures, and user perspectives.

SNIA International

As the SNIA celebrated its 10-year anniversary in 2007, it did so with the full participation of the international storage community, which the organization has fostered through its commitment to the advancement of storage and information management worldwide. Since 1997, the SNIA has established seven Regional Affiliates and Geographic Forums outside of the U.S., and it continues to seek opportunities to expand its worldwide outreach to new members and participants, such as in South America with regionally sponsored activities in Brazil. The SNIA Affiliates continue to grow and expand and play a key role in developing and deploying local activities in support of SNIA’s global mission.

The following are 2007 highlights from the SNIA Regional Affiliates and Forums around the globe:

SNIA AUSTRALIA-NEW ZEALAND (ANZ)
In 2007, SNIA ANZ extended the number of seats on its Board to allow the appointment of representatives from system integration organizations and storage users. The change was designed to help the Board take into account the needs of the broader market, and include a wider representation of the storage community.

SNIA ANZ also rolled out its inaugural education program in 2007, confirming a high level of interest in the region for local training. The five-day course on Fibre Channel SAN Management and Administration, offered in both Sydney and Auckland, provided attendees with a comprehensive understanding of the relevant standards from a vendor-neutral perspective.
SNIA International

Also in 2007, plans were made for the ANZ SNIA Academy series, which commences in early 2008. In addition, SNIA ANZ will be working closely with local events from a co-location perspective as part of their strategy to expand the number of users that are exposed to the SNIA brand. SNIA ANZ also plans to increase its focus and delivery of education courses to the region for 2008.

SNIA CANADA

It is estimated that IT organizations in Canada will have bought and installed more than 100 Terabytes of disk capacity in 2007 (IDC Canada), continuing the steep growth of recent years. Increasingly, local CIOs, IT Directors, and Storage Administrators are looking to SNIA Canada to help them with their concerns, including topical educational sessions, as well as key programs such as the SNIA’s Data Management Initiatives.

In a key accomplishment of 2007, SNIA Canada held well-attended education forums in Halifax, Toronto, Montreal, Vancouver, and Calgary. These popular events included topics such as Storage Over IP and Storage Security, and end users responded positively to the sessions and actively participated in the discussions.

SNIA CHINA

In the past year, SNIA China implemented a number of new programs, including hosting a highly successful Webcast series on Storage Fundamentals, which featured seven sessions and attracted more than 450 attendees. Designed to provide Chinese end users and solution providers with expanded educational opportunities and additional understanding for the China IT industry, this vendor-neutral tutorial information was developed by the SNIA China Education Committee.

In addition, SNW China continued to expand, featuring unique demo sessions and eight tutorial presentations. Also in 2007, the SNIA Academy was held in Chengdu, attracting approximately 100 attendees.

SNIA China showed additional progress when it released 5,000 copies of the second edition of its Chinese SNIA Dictionary. The organization also translated the SNIA End User report, Storage Interoperability: So What’s the Problem? into Chinese.

In other SNIA China news, on May 30, 2007, 120 U.S. and Chinese delegates gathered in Beijing for the U.S.–China Symposium on Active Industry Participation in Standardization, an event jointly organized by ANSI and the Standardization Administration of China (SAC). The SNIA was featured on the program representing progressive high-tech industry consortia, and the timing of the Symposium coincided with the SNIA Board delegation visit with SNIA China and SNW China. This event represented an excellent opportunity to advance the awareness of SNIA and SNIA China on an international stage.

SNIA EUROPE

In 2007, SNIA Europe continued its long tradition of hosting the region’s most informative and important information management events, including the SNIA Europe Academy, which visited Denmark, Dubai, Italy, Norway, Russia, Sweden, and Switzerland. The highly successful SNW Europe opened its doors for the fourth successive year in Frankfurt on October 29, 2007, with nearly 1,500 delegates attending from 28 countries. The program featured in-depth training, including industry keynotes and end user panels, as well as nine parallel tracks that offered a mix of case studies, SNIA Tutorials, and industry hot-topics. In total, a record 120+ conference sessions were featured at SNW Europe 2007.
SNIA International

In September, SNIA Europe joined forces with the SCSI Trade Association (STA) to geographically expand the reach of Serial Attached SCSI (SAS) technology and marketing information. Under the agreement, SNIA Europe will represent STA in the EMEA markets, and SNIA Europe will receive and implement STA’s future marketing plans and roadmaps.

Another initiative that gained traction in 2007 is the European End User Council (EEUC), a group created to provide a direct voice from the end user community to SNIA Europe. Established by the Board of Directors in 2006, in 2007 the EEUC began its work to influence the activities of SNIA Europe, streamlining the process of turning shared storage requirements into solutions.

SNIA INDIA

Information management remains a key focus in the fast-growing Indian market. SNIA India now boasts a growing membership of 100 storage vendors, channel members, end users, institutions, and individuals. SNIA India continues its focus on education by expanding the SNCP certification program into more cities, along with delivering new SNIA Tutorials for end users.

In 2007, the SNIA proudly announced that India would be the site of the organization’s First Regional TWG – the Filesystem Management Regional Technical Work Group (FSM RTWG) for India. The FSM RTWG for India will leverage and support management of existing file sharing standards, both remote and local, and will provide all input into SNIA architectures and specifications through the FSM TWG.

SNIA JAPAN

SNIA Japan established new end user education programs in 2007, as the organization continued to increase its awareness and receive recognition as an indispensable resource for many conferences and events in Japan. The organization exhibited at the important Data Storage Expo held in Tokyo in May. SNIA Chairman Vincent Franceschini gave the keynote address at Data Storage Expo, increasing the awareness of SNIA’s latest activities in the region.

Also in 2007, SNIA Japan continued its annual market research program, conducting its fourth survey of Japanese end user companies. With approximately 500 respondents, the survey revealed significant needs for Business Continuity Planning (BCP) and compliance in Japan. In addition, SNIA Japan has initiated its Storage Networking Certification Program (SNCP) partnership with Japanese vendors, reaching its first agreement in 2007.

SNIA SOUTH ASIA

SNIA South Asia, which includes members from Indonesia, Malaysia, Philippines, Singapore, and Thailand, continues to advance its training and education programs across the Association of Southeast Asian Nations (ASEAN) region. This region conducted its first SNIA Academy in Singapore, with 170 participants and very positive feedback from both attendees and sponsors. Due to its success in 2007, this event will be repeated in 2008.

SNIA South Asia has also started a breakfast seminar series called “Tech@Break,” which enlists subject matter experts to deliver SNIA Tutorials. In addition, SNIA South Asia is regularly called upon to present vendor-neutral perspectives at industry and trade events.

SNIA Education

Storage professionals are increasingly turning to educational programs to keep up with day-to-day demands and plans for the future, and the SNIA continues to offer some of the best opportunities to learn about the value and methodology of storage networking.

In 2007, SNIA education reached more than 10,000 professionals with vendor-neutral education and certification programs. As part of this success, the SNIA Storage Networking Certification Program (SNCP) recently reached a major milestone, having certified more than 2,000 professionals worldwide.
The SNCP is firmly established as the key program for vendor-neutral, systems-level credentials that integrate with and complement individual vendor certifications, and the success of this program is a testament to its importance to the industry.

SNIA Education provided key leadership in the creation and delivery of hundreds of vendor-neutral, knowledge-based tutorials on networked storage and associated technologies in the popular SNIA Tutorials Program. Already a mainstay at SNW conferences in the U.S. and in other geographies like SNW Europe and SNW China, the tutorials program has experienced continued growth and success through extending and delivering these materials in other venues as well.

Strategic Alliances

The SNIA has a strong Alliances program, one that establishes collaborative working relationships with other industry associations to increase the level of integrated storage solutions in general business and IT environments. In addition to its alliances with ARMA International, the Distributed Management Task Force (DMTF), and the Open Grid Forum (OGF), the SNIA expanded its roster of relationships over the past year.

In 2007, the SNIA and the Eclipse Foundation announced that the two organizations are increasing their collaboration around open storage management standards, including SMI-S and the Eclipse Aperi open source project. In addition to Aperi software conforming to the SNIA SMI-S standard, the collaboration between the two organizations spans a variety of focus areas including marketing, education, and end user outreach.

Also in 2007, the SNIA and the Fibre Channel Industry Association (FCIA) announced an alliance aimed at collaborating on educational and technical programs. As part of the alliance, the two organizations created a joint working group that is sharing and marketing the latest advancements on Fibre Channel technology.

SNIA and End Users

The SNIA’s End User Council (EUC) is a collaboration between end users and suppliers to advance the development of storage networking technology and solutions. Membership in the EUC is available to all IT professionals who use and manage storage and networking environments.

As part of the SNIA’s ongoing commitment to hearing the voice of the end user, the EUC conducts valuable industry surveys, designed to prioritize the most important issues facing storage and storage networking end users today. In 2007, the group released the full report of results from its third survey, titled Storage Interoperability: So What’s the Problem?

Providing new levels of understanding of end user interoperability pain points, this most recent survey found several key insights, including the fact that upgrades cause end users the most worry – more than integrating new hardware, interoperable management software, and outdated management software. The survey report represents the continuing commitment by the EUC to prioritize the most important issues facing storage and networking end users today.

The SNIA EUC continued to participate in SNW events in 2007, where the group hosted the successful SNIA End User Council “Town Hall Meeting.” EUC members also served as theme leads and instructors at the increasingly popular Hands-On Lab, which were filled to capacity and received high marks from end user attendees.
Look Ahead

Having expanded its mission in 2007 to support the IT industry in addressing information management requirements, the SNIA in 2008 is implementing key programs that deliver value to its members and further the organization’s objectives to:

- Be a trusted advisor across all business segments, and the recognized authority in storage technologies in support of information management.
- Be a catalyst for the development of information technologies and storage standards.
- Establish a strong international presence to address the needs and requirements of the local storage and information management marketplace.

This extension of our vision is also the recognition of some important storage industry evolutions that the SNIA began addressing several years ago with the formation of our Data Management Forum (DMF) and our Storage Security Industry Forum (SSIF). In the near term, the organization will continue its activities as currently established, including those already oriented toward the support of information management. Moving forward, the SNIA will identify new opportunities to drive the alignment of storage technologies with information management requirements, such as standards and software, best practices, education, alliances, and more.

There is indeed a new landscape of opportunities for the SNIA to support the storage industry, as Enterprise IT managers attempt to streamline access to data and storage resources, as well as services, in order to deliver optimized information services to their internal and external customers. Greater levels of data services integration and management intelligence will undoubtedly require additional standardized data management tools and best practices to complement existing architectures. SNIA is therefore looking forward to exploring those new avenues to further advance its mission, also leveraging its industry alliances.

So, although the SNIA will, of course, remain the association of choice to drive and support data storage and storage networking projects and initiatives, SNIA leaders and members are encouraged to propose new opportunities and developments. Among the many exciting activities to come in 2008, we hope to see the release of the eXtensible Access Method (XAM) specification and SDK, the Management Framework release, as well as more industry leadership from the Green Storage Initiative.

With renewed energy for our educational activities, the SNIA will pursue the developments of key training programs for IT professionals, as well as the delivery of our valued tutorials and other educational materials at targeted events, including SNWs and the Storage Developers Conference. We expect to see our Regional Affiliates and Geographic Forums significantly contribute to our education mission, as well as reach out to many of the important world market constituencies. Building upon the significant industry momentum of programs such as SMB and the DMF’s LTACSI and DPI, the SNIA Forum and Initiative activity pipeline for 2008 is impressive, and I believe they will continue to significantly contribute to SNIA’s broad industry objectives.

Thanks to the ongoing commitment and support of our members, we look forward to a most successful 2008, as the SNIA plays a central role in delivering the expertise, standards, and activities that will continue to shape and support the information management landscape.

Vincent Franceschini
Chairman, SNIA Board of Directors
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**SNIA Board of Directors**

Back Row Left to Right: Mark Carlson, Alan Yoder, David Thiel, James Williams, Dan Thiel, Norris Hasegawa, Vincent Franceschini, Ray Dunn

Front Row: SW Wang, Julie Ryan

**SNIA Technical Council Members**

Back Row Left to Right: Mark Carlson, Alan Yoder, David Thiel, James Williams, Dan Thiel, Norris Hasegawa, Vincent Franceschini, Ray Dunn

Front Row: SW Wang, Julie Ryan

**LEADERSHIP**

- David Thiel, Chairman
- Alan Yoder, Vice Chairman
- David Black, EPIC
- Mark Carlson, Sun Microsystems, Inc.
- Steve Hand, Symantec Corporation
- Arnold Jones, Non-voting Technical Council Managing Director, SNIA
- James Williams, Oracle
- Steve Wilson, Brocade
- Ken Wood, Hitachi Data Systems
Storage Networking Industry Association
Financial Statements and
Report of Independent Certified Public Accountant
November 30, 2007 and 2006

BOARD OF DIRECTORS
STORAGE NETWORKING INDUSTRY ASSOCIATION
SAN FRANCISCO, CALIFORNIA

We have audited the accompanying statements of financial position of Storage Networking Industry Association (a California nonprofit organization) as of November 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Storage Networking Industry Association as of November 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McCahan, Helfrick, Thiercof & Busera
Accountancy Corporation
San Jose, California
February 28, 2008
## Financials

### Storage Networking Industry Association

**Statements of Financial Position**

**November 30, 2007 and 2006**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$588,130</td>
<td>$169,852</td>
</tr>
<tr>
<td>Investments</td>
<td>2,195,652</td>
<td>3,112,214</td>
</tr>
<tr>
<td>Accounts Receivable - Membership</td>
<td>259,848</td>
<td>747,523</td>
</tr>
<tr>
<td>Accounts Receivable - Storage Networking World</td>
<td>296,050</td>
<td>209,705</td>
</tr>
<tr>
<td>Property and Equipment - Net</td>
<td>587,548</td>
<td>358,313</td>
</tr>
<tr>
<td>Other Assets</td>
<td>24,355</td>
<td>32,642</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$3,951,603</td>
<td>$4,630,249</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>269,711</td>
<td>372,363</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>434,992</td>
<td>577,517</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>186,406</td>
<td>112,018</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>891,109</td>
<td>1,061,898</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets:</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated by Board of Directors -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Regional Affiliates and Forums</td>
<td>245,100</td>
<td>307,357</td>
</tr>
<tr>
<td>For Operating Reserve</td>
<td>1,800,000</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Undesignated</td>
<td>1,015,394</td>
<td>1,061,094</td>
</tr>
<tr>
<td><strong>Total Unrestricted</strong></td>
<td>3,060,494</td>
<td>3,568,351</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>3,060,494</td>
<td>3,568,351</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$3,951,603</td>
<td>$4,630,249</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this financial statement.
# FINANCIALS

## Storage Networking Industry Association

### Statements of Activities and Changes in Net Assets

For the Years Ended November 30, 2007 and 2006

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted Net Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support and Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships, Forums and Initiatives</td>
<td>$1,755,754</td>
<td>$1,866,065</td>
</tr>
<tr>
<td>Storage Networking World and Other Events</td>
<td>1,577,976</td>
<td>1,619,851</td>
</tr>
<tr>
<td>Contributions</td>
<td>386,649</td>
<td>1,122,690</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>390,918</td>
<td>382,203</td>
</tr>
<tr>
<td>Storage Management Initiative Programs</td>
<td>309,714</td>
<td>884,772</td>
</tr>
<tr>
<td>Administrative Fees</td>
<td>278,955</td>
<td>152,247</td>
</tr>
<tr>
<td>Investment Income</td>
<td>176,165</td>
<td>170,864</td>
</tr>
<tr>
<td>Other</td>
<td>116,229</td>
<td>144,584</td>
</tr>
<tr>
<td><strong>Total Unrestricted Revenues</strong></td>
<td>$4,992,256</td>
<td>$6,343,276</td>
</tr>
</tbody>
</table>

| **Expenses:** |          |          |
| Program Services: |          |          |
| Storage Management Initiative Programs | 624,273 | 875,188 |
| Marketing Committee | 482,501 | 477,560 |
| Technical Center | 231,155 | 1,048,418 |
| Education Committee | 193,896 | 203,615 |
| Data Management Forum | 184,770 | 463,999 |
| SQL Forum | 143,430 | 30,401 |
| Storage Developers Conference | 128,836 | 130,399 |
| Development Operation | 123,704 | 50,869 |
| Conference Committee | 109,391 | 117,063 |
| Technical Council | 100,009 | 68,229 |
| XAM Initiative | 93,479 | 0 |
| IP Storage Forum | 71,899 | 97,395 |
| Storage Networking World | 53,900 | 84,881 |
| Interoperability Committee | 23,907 | 66,748 |
| Membership Committee | 17,720 | 14,603 |
| Other | 0 | 12,877 |
| **Total Program Services** | $2,582,870 | $3,742,245 |

The accompanying notes are an integral part of this financial statement.
Storage Networking Industry Association  
Statements of Activities and Changes in Net Assets  
For the Years Ended November 30, 2007 and 2006

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted Net Assets (Continued):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Services:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and Administrative Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Related Expenses</td>
<td>2,361,534</td>
<td>2,180,814</td>
</tr>
<tr>
<td>Operations</td>
<td>533,495</td>
<td>646,390</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>22,314</td>
<td>49,203</td>
</tr>
<tr>
<td><strong>Total Supporting Services</strong></td>
<td>2,917,343</td>
<td>2,876,417</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>5,500,213</td>
<td>6,618,625</td>
</tr>
<tr>
<td><strong>Changes in Unrestricted Net Assets</strong></td>
<td>(507,857)</td>
<td>(275,376)</td>
</tr>
<tr>
<td><strong>Changes in Temporarily Restricted Net Assets</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Changes in Permanently Restricted Net Assets</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Decrease in Net Assets</strong></td>
<td>(507,857)</td>
<td>(275,376)</td>
</tr>
<tr>
<td><strong>Net Assets - Beginning</strong></td>
<td>3,568,351</td>
<td>3,843,727</td>
</tr>
<tr>
<td><strong>Net Assets - Ending</strong></td>
<td>$ 3,060,494</td>
<td>$ 3,568,351</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this financial statement.
Storage Networking Industry Association
Statements of Cash Flows
For the Years Ended November 30, 2007 and 2006

<table>
<thead>
<tr>
<th>Adjustments to Reconcile Net Assets to Net Cash Provided by Operating Activities:</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and Amortization</td>
<td>163,302</td>
<td>152,481</td>
</tr>
<tr>
<td>Donated Equipment Placed in Service</td>
<td>(386,645)</td>
<td>(290,690)</td>
</tr>
<tr>
<td>Unrealized (Gain) Loss on Investments</td>
<td>16,340</td>
<td>(31,716)</td>
</tr>
<tr>
<td>Realized Gain on Investments</td>
<td>(78,608)</td>
<td>(5,756)</td>
</tr>
<tr>
<td>(Increase) Decrease in Operating Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>487,675</td>
<td>(395,112)</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>(86,345)</td>
<td>7,653</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>8,287</td>
<td>6,982</td>
</tr>
<tr>
<td>Increase (Decrease) in Operating Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>(102,652)</td>
<td>(66,755)</td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td>74,308</td>
<td>51,514</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>(142,525)</td>
<td>449,098</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>(46,783)</td>
<td>(122,301)</td>
</tr>
</tbody>
</table>

Net Cash Used by Operating Activities
(554,640) (397,677)

Cash Flows from Investing Activities:
Cash Payments for the Purchase of Property and Equipment
(5,912) (28,079)
Net Decrease in Investments
978,830 109,329
Net Cash Flows Used by Investing Activities
972,918 81,250

Cash Flows from Financing Activities
0 0

Net Increase (Decrease) in Cash and Cash Equivalents
418,278 (316,427)

Cash and Cash Equivalents, Beginning of Year
169,852 486,279

Cash and Cash Equivalents, End of Year
$ 588,130 $ 169,852

Supplemental Disclosures of Cash Flow Information:
No payments were made for taxes or interest during the fiscal years ended November 30, 2007 or 2006.

The accompanying notes are an integral part of this financial statement.
Storage Networking Industry Association
Notes to Financial Statements
November 30, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION:

Storage Networking Industry Association was incorporated on December 22, 1997 under the corporate laws of the State of California.

PURPOSE AND OPERATIONS:

Storage Networking Industry Association (The Organization) is a United States of America based trade association engaged in the promotion, growth, and development of storage networking systems and technologies throughout the world. The Organization provides education, training, and market information to companies in the field of storage networking technologies as well as developing standards, specifications, and infrastructure. The Organization also acts as a referral and information network for such companies.

The Organization’s 2007-2009 Strategic Plan expanded their mission and vision to include developing and promoting standards, technologies, and educational services to empower organizations in the management of information.

BASIS OF ACCOUNTING:

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization maintains its accounting records on a fiscal year commencing on December 1.

REVENUE:

Revenues are derived primarily from annual membership fees, sponsors, special events, contributions, and trade shows. Membership fees are recognized over the period to which the dues relate. New membership fees are recognized over a fiscal year beginning on the date of membership. Funds from events and trade shows are recorded as they occur. Revenue from events is recorded at the net amount received from the entity coordinating the event. The Organization offers voting memberships to companies depending upon sales volume. Storage technology companies with an annual sales volume over five hundred million dollars are eligible for a large membership whereas companies with sales volume over ten million dollars are eligible for a medium voting annual membership. The Organization also has membership categories for technology companies, channel companies, IT departments of any company (end users), individuals, and non-profits.

CASH AND CASH EQUIVALENTS:

For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with maturities of three months or less as acquisition to be cash equivalents.

ALLOWANCE FOR DOUBTFUL ACCOUNTS:

The Organization provides an allowance for doubtful accounts based on management’s assessment of the collectibility of existing specific accounts. Management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.
NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS:
The Organization maintains an investment account at Citigroup Global Markets. Investments in this account, which is governed by a formal investment policy, are composed primarily of money market funds, mutual funds, government bonds, and certificates of deposit and are carried at fair value. The money market funds included in the investment account are not considered to be cash equivalents because management intends to invest these funds in investments maturing in more than three months.

DEPRECIABLE ASSETS:
The Organization owns various property and equipment which is located at their administrative office in San Francisco, California and their technology center in Colorado Springs, Colorado. These assets are carried at cost or, if donated and placed in service at the approximate fair value at the date of donation and depreciated over the estimated useful lives on the straight-line method. Major items and betterments are capitalized; minor items and repairs are expensed as incurred.

USE OF ESTIMATES:
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DONATED SERVICES:
A portion of the Organization’s functions and activities is conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying financial statements since the volunteer time does not meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made.

NOTE B - INCOME TAXES
The Organization is exempt from Federal Income Tax under Internal Revenue Code Section 510(c)(6) and from California State Tax under Revenue and Taxation Code Section 23701(e). The Organization complies with other Internal Revenue reporting requirements regarding contributions received, payroll transactions, and payments to independent contractors.

NOTE C - UNINSURED CASHBALANCES
The Organization maintains cash balances at financial institutions located in the state of California. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation to a maximum of $100,000. Uninsured balances were approximately $560,000 at November 30, 2007 and $253,000 at November 30, 2006.
Storage Networking Industry Association  
Notes To Financial Statements  
November 30, 2007 and 2006

NOTE D - INVESTMENTS
Investments are composed of money market funds, mutual funds, government bonds, and certificates of deposit. These investments, which are governed by an investment policy, have a cost basis of $2,180,276 and $3,080,491, and a fair value of $2,195,652 and $3,112,214 as of November 30, 2007 and 2006, respectively.

The following summarizes the investment return and its classification in the statement of activities for the years ended November 30, 2007 and 2006:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$113,898</td>
<td>$133,292</td>
</tr>
<tr>
<td>Unrealized gains (losses)</td>
<td>(16,340)</td>
<td>31,716</td>
</tr>
<tr>
<td>Realized gain</td>
<td>78,607</td>
<td>5,756</td>
</tr>
<tr>
<td>Total investment return</td>
<td>$176,162</td>
<td>$170,844</td>
</tr>
</tbody>
</table>

NOTE E - DEFERRED REVENUE
The Organization offers annual voting and non-voting memberships to companies and individuals. The membership term begins upon the invoice date and continues for a period of one year. Income from membership dues is recognized over the period to which the dues relate. The portion that covers the period subsequent to the end of the Organization’s fiscal year is recorded as deferred revenue on the Statement of Financial Position.

NOTE F - OPERATING LEASES
On January 1, 2004, the Organization entered into a five-year operating lease expiring on December 31, 2008 for its administrative offices located in San Francisco, California. The initial annual base rent on the premises is $37,335, payable in monthly installments of $3,111.25 each. The base rent increases by approximately $983 each year during the term of the lease. In addition to the base rent, the Organization pays as additional rent its share of the annual operating expenses, insurance expenses, utility expenses and tax expenses that are in excess of the total of those expenses for the base year. The base year is 2004.

The Organization leases a facility and various personal property located in Colorado Springs, Colorado for use as a technology center. The operating lease, which has an initial term of six years expiring on January 31, 2007, has been amended to provide three successive options to extend the term of the lease for one year each. On July 25, 2007, the second extended term was executed to extend the lease through January 31, 2009. Monthly lease payments of $2,916.67 are payable on the first of each month.

On January 1, 2004, the Organization also entered into a month to month operating lease for additional storage space at $125 per month; and a thirty-six month operating lease for a copier, payable in monthly installments of approximately $314 which expired on December 31, 2006. On October 18, 2004, the Organization entered into a month to month operating lease for additional storage space at $50 per month. On February 21, 2007, the Organization entered into a thirty-six month operating lease for a copier, payable in monthly installments of approximately $314.
NOTE F - OPERATING LEASES (Continued)

At November 30, 2007, the minimum rental payments due under these leases are as follows:

<table>
<thead>
<tr>
<th>Year ending November 30</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$82,061</td>
<td>13,223</td>
<td>944</td>
<td>$96,228</td>
</tr>
</tbody>
</table>

The Organization intends to renew the existing leases beyond the current expiration dates.

The total rental expense was $102,917 and $111,530 for the years ended November 30, 2007 and 2006, respectively.

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and equipment - Donated</td>
<td>$677,335</td>
<td>$290,690</td>
</tr>
<tr>
<td>Machinery and equipment - Other</td>
<td>225,632</td>
<td>219,720</td>
</tr>
<tr>
<td>Office furniture</td>
<td>87,509</td>
<td>87,509</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>990,476</td>
<td>597,919</td>
</tr>
<tr>
<td></td>
<td>(402,908)</td>
<td>(729,606)</td>
</tr>
<tr>
<td></td>
<td>$387,568</td>
<td>$358,313</td>
</tr>
</tbody>
</table>

Depreciation expense totaled $163,302 and $152,481 at November 30, 2007 and 2006.

NOTE H - CONTRIBUTIONS

In March 2006, the Organization launched the SNIA Technology Center Champions Program to encourage and recognize contributions to the technical infrastructure expansion of the Technology Center in Colorado Springs, Colorado. In-kind contributions under this program consist of donated computer systems software and equipment which are recorded as revenue in the year received at fair value. The following summarizes the contributions received for the years ended November 30, 2007 and 2006:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions capitalized and included in property and equipment</td>
<td>$386,645</td>
<td>$290,690</td>
</tr>
<tr>
<td>Contributions charged to the Technology Department and expensed as research and development costs</td>
<td>0</td>
<td>804,000</td>
</tr>
<tr>
<td>Contributions charged to the Technology Department and expensed due to lack of utilization</td>
<td>0</td>
<td>28,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$386,645</strong></td>
<td><strong>$1,122,690</strong></td>
</tr>
</tbody>
</table>
NOTE I - MEMBERSHIPS, FORUMS, AND INITIATIVES REVENUE

Memberships, forums, and initiatives revenue for the years ended November 30, 2007 and 2006 is comprised as follows:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association Memberships</td>
<td>$1,048,367</td>
<td>$1,273,989</td>
</tr>
<tr>
<td>Storage Management Initiative</td>
<td>319,500</td>
<td>287,625</td>
</tr>
<tr>
<td>Data Management Forum</td>
<td>192,500</td>
<td>206,667</td>
</tr>
<tr>
<td>IP Storage Forum</td>
<td>70,221</td>
<td>63,599</td>
</tr>
<tr>
<td>SSI Forum</td>
<td>53,083</td>
<td>34,275</td>
</tr>
<tr>
<td>XAM Initiative</td>
<td>72,083</td>
<td>0</td>
</tr>
<tr>
<td>Green Storage Initiative</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,755,754</strong></td>
<td><strong>$1,866,065</strong></td>
</tr>
</tbody>
</table>

NOTE J - DEFERRED COMPENSATION AND PROFIT SHARING PLAN

The Organization maintains a qualified deferred compensation and profit sharing plan under Section 401(k) of the Internal Revenue Code. The Plan covers substantially all employees meeting certain eligibility requirements. Employees may contribute a percentage of their eligible compensation to the Plan, up to the maximum permitted by the Internal Revenue Code. The Organization made matching contributions of $79,608 and $64,015 for the years ended November 30, 2007 and 2006, respectively.

Any forfeitures are used to first pay administrative expenses and then to reduce the employers contributions. At November 30, 2007, there was approximately $30,000 in the forfeiture account.

NOTE K - RECLASSIFICATIONS

Certain revenue and expenses associated with the Technology Center for the year ended November 30, 2006 have been reclassified in the comparative financial statements as Storage Management Initiative Program revenue and expenses to be comparable to the presentation for the year ended November 30, 2007. These reclassifications had no effect on the change in net assets.
MEMBER COMPANIES

UNITED STATES

Vendor: Large Voting
Brocade
Cisco Systems
Computer Associates
Dell
EMC
HP
Hitachi Data Systems
IBM
Intel
Juniper Networks
Kodak

Vendor: Large Non-Voting
Advanced Micro Devices
AT&T
BMC Software, Inc.
Continuum
Dell
Computer Associates
Teradata

Vendor: Medium Voting
Adaptec
AMCC
ATTO Technology, Inc.
Emulex Corporation
FalconStor Software, Inc.
Overland Storage
Xiotech Corporation

Vendor: Medium Non-Voting
3PAR, Inc.
BlueArc Corporation
Ciena Corporation
Computerworld
Crossroads Systems
Data Domain
DataDirect Networks
Dot Hill Systems
Fusion
Global Acceleration Technologies
HCl Technologies
Hitachi Data Systems
Ibix, Inc
Infostrend
Isilon
Netapp
PMC-Sierra
Riverbed
Texas Memory Systems
Xyratex
Pivotal
Powerfile
Qsan
SANBlaze
SANpulsar
Sceniris
Sepaton
Seagate

Vendor: Small Voting
Arista Logic, Inc.
Bycast
Digi-Data
EqualLogic, Inc.
iStar Networks, Inc.
Knowledge Transfer
Panassas, Inc.
Perfin
Pillar Data Systems

Vendor: Small Non-Voting
Absolute Analysis
Agami
AIC/Xtore
Alcom Networks
Alacritech
Aspemra
Astute Networks
Atempo
Atune
Cipher Max
Ciprico
Codenomicon
Comell Technologies
Continuity Software
COPAN Systems
Dionex Analytical Laboratories
F5’s Data Solutions Group
(Acopia Networks)
Fiber Connect, Inc.
Gresham
Insigient, Inc.
Infiniity/IO
InsMage
Intronis
iQstar Networks, Inc.
iWivity, Inc.
Lamprey Networks
Mendocino Software
Monosphere, Inc.
MU Security
Neopost Networks
Omnaro
ONStor, Inc.

Vendor: Small Non-Voting
Atempo
Alacritech
Absolute
Agami
AIC/Xtore
Alcom Networks
Alacritech
Aspemra
Astute Networks
Atempo
Atune
Cipher Max
Cipher Max
Ciprico
Codenomicon
Comell Technologies
Continuity Software
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(Acopia Networks)
Fiber Connect, Inc.
Gresham
Insigient, Inc.
Infiniity/IO
InsMage
Intronis
iQstar Networks, Inc.
iWivity, Inc.
Lamprey Networks
Mendocino Software
Monosphere, Inc.
MU Security
Neopost Networks
Omnaro
ONStor, Inc.

Note – Member companies as of October 31, 2007
AUSTRALIA/NEW ZEALAND

Acer Computers Oceanic Region
Adaptec Australia
Alphawest
Brocade
Computer Associates
CITEC
Cromwell Pty Ltd
Commvault Systems
Datastor
Dimension Data
EMC
EqualLogic, Inc.
Exiva Pty Ltd
Global360
HP Australia Ltd
Hitachi Data Systems Australia Pty Ltd
IBM Australia
Ination ANZ Pty Ltd
Intico Pty Limited
NAB
NetApp ANZ
Quantum, Inc.
SpectrumData
Symantec Corporation Australia Pty Ltd

CANADA

Bell Micro
CGI Canada
Diversified Business
DOFASCO Inc
Flextify Solutions
Fujifilm Canada Inc.
HP
IBM Canada
Instream Technology
Ingram Micro Canada
Laidlaw Networks
NetStore Technology Group
Nova Networks
Pillar Data Systems
Scalar Decisions Inc.
Stantec Consulting
Storageflex Inc. Canada
SUN Microsystems, Inc.
Tech Data Canada

CHINA

Brocade
Computer Associates
Cisco Systems
EMC
H3C
Hitachi Data Systems
HP
Huawei Technologies
HUST (Huazhong University of Science and Technology)
IBM
Lenovo
Newhero
NRCHPC (National Research Center for High-Performance Computers)
Quantum China
Wisdata

EUROPE

JPAR
Acal Storage Networking
Anacom (Europe)
Attempo
ATTI Technology Inc
Avnet Technology Solutions
BiBone Software Europe
BTD AG
Brocade
Bull
Cisco Systems
Computer Associates
COMPN Systems
C-Storage
Data Island
DataSave
Dell
EMC
Emulex Corporation
EqualLogic, Inc.
Erudit NV Europe
Excelo AB
ExGrid Systems, Inc
FalconStor Software, Inc.
Finisar Corporation
Forensic and Compliance Systems
Fujitsu Siemens Computers GmbH
Hammer Europe
Hi-Star Technologies Europe
Hitachi Data Systems
HP
HP

HMV Computer Technologies GmbH
HP
IBM
Infinea Data
Infinity I/O Ltd
InfoGuard AG
Infowrind Europe Ltd
ISILON SYSTEMS
ISIT Europe
LR-Systems Messengeute GmbH
LSI Corporation
NetApp
Onstor, Ltd
Opin Kerf
Overland Storage
Pillar Data Systems
Plasmon Data Ltd
ProAct IT Group
qSkills GmbH & Co. KG
Quantum Corporation Europe
Rako Electronic Europe
RISE Europe
Scasicomp
Seacalp UK Ltd
SERVODATA s.r.l.
SHD - System Haus Dresden GmbH
SMO Data Europe
SmartOptics AS
SNE N.V.
Source NVI-SA
Spurth Technologies FZC
STORIFYLEX a.s.
SUN Microsystems, Inc.
Symantec Corporation
Synacor GmbH and Europe
SYNERWAY
TBA - Telenatica e Buretica
Lusia Europe
Telindus Group NV
TOPNORDIC
Zydeo Ltd. Europe

INDIA

Aparna Enterprises Solutions Pvt. Ltd.
CDAC
Chirag
Cisco Systems
Cognizant Technologies Ind. Pvt. Ltd.
EMC

Fortums Marketing Pvt Ltd
HCL Commnet Systems & Services Pvt. Ltd.
HP India
IBM
InfySys Technologies Limited
LSI Logic Corporation India Pvt. Ltd.
MIEL e-Security Pvt. Ltd.
MindTrax India
Modi Peripherals Ltd.
Mphasis India
NetApp
New Edition System
Pati Computer Systems Ltd.
Renaissance India
 Tata Consultancy Pvt Ltd
Tata Eksi Ltd.
WDC
Xerox India Pvt Ltd

JAPAN

Computer Associates Japan Ltd
CISCO Systems K.K.
CLC Corporation Japan
EMC Japan K.K.
FUJITSU LIMITED Japan
Hitachi Data Systems
IBM Japan, Ltd.
Marubeni Information Systems
NEC Corporation Japan
NetApp Japan K.K.
Newtech Company Ltd
OKI Electric Industry Company, Ltd
Japan
Sunisys Computer System
Tokyo Electron Device Limited
Toshiba Corporation Japan
Unisys

SOUTH ASIA

Computer Associates
Data Storage Institute
EMC
HP
Hitachi Data Systems
IBM
Pantropic