



Arrow ECS and FalconStor Software sign a new distribution agreement

LINZ, Austria (September, 2nd 2010) - Arrow Enterprise Computing Solutions, a business segment of Arrow Electronics Inc. (NYSE: ARW), and FalconStor Software (NASDAQ: FALC), have signed a new distribution agreement for Austria, Switzerland and Southeastern Europe effective on 1st July 2010. Arrow ECS distributes FalconStor's data protection solutions and is expanding FalconStor's channel in these countries. Arrow ECS is the first distributor for FalconStor in Serbia, Croatia, Slovenia, Hungary, Bosnia, Macedonia, Albany and Kosovo.

“Our decision to team with FalconStor aligns with our strategy to provide a comprehensive portfolio of enterprise storage solutions,” said Paul Karrer, managing director for Arrow ECS Internet Security AG. “This agreement will add great value to our portfolio, and the alliance will enable FalconStor to address a broader market through distribution.”

“Arrow ECS provides excellent channel experience and market know-how as well as a deep reseller base. Especially in the region of Southeastern Europe, we see a new growing market for FalconStor's entry level products and appliances, such as FalconStor[®] Continuous Data Protector (CDP) and FalconStor's data protection solutions for VMware”, said Guy Berlo, vice president Central European Sales and Operations.

FalconStor is a market leader in disk-based data protection and delivers proven, comprehensive solutions that facilitate the continuous availability of business-critical data with speed, integrity and simplicity. The company's TOTALLY Open™ technology solutions, built on the award-winning IPStor[®] platform, include the industry-leading FalconStor[®] Virtual Tape Library (VTL) with deduplication, FalconStor[®] CDP and FalconStor[®] Network Storage Server (NSS)—each enabled with WAN-optimized replication for disaster recovery and remote-office protection.

In addition to FalconStor's suite of data protection solutions, Arrow ECS offers a comprehensive portfolio in the areas of security, storage, server and virtualization from many of the world's leading manufacturers.

ABOUT ARROW ENTERPRISE COMPUTING SOLUTIONS

Arrow ECS, a business segment of Arrow Electronics Inc. [NYSE: ARW], provides enterprise and midrange computing products, services and solutions to value-added resellers, system integrators, and independent software vendors. Based in Englewood, Colo., and with offices in 26 countries, Arrow ECS connects its customers to the world's foremost technology suppliers. Arrow ECS reported \$4.9 billion in global enterprise computing solution sales in 2009. Visit ecs.arrow.com for more information.

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About FalconStor Software

FalconStor Software, Inc. (NASDAQ: FALC) is the market leader in disk-based data protection. FalconStor delivers proven, comprehensive data protection solutions that facilitate the continuous availability of business-critical data with speed, integrity and simplicity. The Company's TOTALLY Open™ technology solutions, built upon the award-winning IPStor® platform, include the industry leading [Virtual Tape Library \(VTL\)](#) with deduplication, [Continuous Data Protector \(CDP\)](#), [File-interface Deduplication System \(FDS\)](#), and [Network Storage Server \(NSS\)](#), each enabled with WAN-optimized replication for disaster recovery and remote office protection, and the [HyperFS™ file system](#). FalconStor products are available as OEM or branded solutions from industry leaders, including Acer, Data Direct Networks, Dynamic Solutions International, EMC, Fujitsu, Hitachi Data Systems, Huawei, Pillar Data Systems, SGI, SeaChange and Spectra Logic and are deployed by thousands of customers worldwide, from small businesses to Fortune 1000 enterprises.

FalconStor is headquartered in Melville, N.Y., with offices throughout Europe and the Asia Pacific region. FalconStor is an active member of the Storage Networking Industry Association (SNIA). For more information, visit www.falconstor.com or call 1-866-NOW-FALC (866-669-3252).

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