

FOR IMMEDIATE RELEASE

Rackwise, Inc. announces First Quarter 2012 Financial Results
- Foundation for future growth -

Folsom, Calif.—May 15, 2012 Rackwise, Inc. (OTCBB: RACK.OB) (the "Company"), a leading developer of data center infrastructure management ("DCiM") software and service solutions, announced today its first quarter 2012 financial results. The Company's results reflect strategic investments in corporate infrastructure and other measures designed to streamline operations, increase market penetration and accelerate near-term business growth.

Revenues

Revenues for the three months ended March 31, 2012 were \$684,149 as compared to revenues of \$536,475 for the three months ended March 31, 2011, an increase of \$147,674, or 28%.

Gross profits

Gross profits for the three months ended March 31, 2012 and 2011 were \$622,184 and \$487,709, respectively, representing an increase of \$134,475, or 28%. Gross profit margins were approximately 91% during both periods.

Operating expenses

Operating expenses increased by \$1,876,515, or 191%, during the three months ended March 31, 2012 to \$2,859,689 from \$983,174 during the three months ended March 31, 2011. The increase primarily relates to recruiting and compensation costs associated with expansion of the sales force and research, development and product support staffs, in accordance with the Company's strategic plan. Also contributing to this increase were additional legal and audit fees associated with public company reporting and expanded business activity, plus non-cash expenses related to stock-based compensation (including grants of stock options and restricted shares).

Net Loss

Net loss was \$2,229,115, or \$.02 per share, for the first quarter of 2012 compared to a loss of \$899,127, or \$.02 per share, for the same period in 2011.

"The first quarter of 2012 marked a transition period for Rackwise," stated Jeff Winzeler, the Company's Chief Financial Officer. "Our business plan is to gain immediate market share in the rapidly expanding DCiM market. To that end, we substantially increased our personnel headcount during the quarter, principally in the functional areas of sales and product research, development and support. We added 11 salespersons, bringing us to a full complement of sales staff covering the domestic and Latin America markets, positioning us well to execute our objectives. We also took steps during the quarter to streamline our operations, including closing offices in San Francisco, Las Vegas, and Los Angeles in favor of a new corporate headquarters in Folsom, California."

Winzeler continued, "We undertook a number of other significant strategic and tactical measures during the first quarter of 2012 which we anticipate will contribute to our near-term business acceleration. At this year's AFCOM Data Center World, the premier conference and trade show for data center and facilities management professionals, we previewed and demonstrated our next-generation Rackwise® DCM 3.6™ software product. Scheduled for release during the second quarter of 2012, this latest Rackwise® DCiM™ solution integrates enhanced device level tracking and real-time monitoring, enhanced power modeling, rich asset search, visualization, blade server management, fault impact analysis, and business reporting analytics among a number of new and improved features and functionalities. We also established during the first quarter of 2012 the Company's Industry Advisory Board, a distinguished group of industry thought leaders providing strategic guidance to the Company, announcing as its founding members Messrs. Stephen O'Donnell (Chairman) and Steve Biondi. We believe these actions will enable the Company to accelerate sales, expand our market share and positively impact our results in the near term as we continue to execute our business plan through the balance of the year."

Guy A. Archbold, Rackwise, Inc. Chief Executive Officer, commented, "Today's increasingly dynamic and complex computing environments present unique challenges for enterprises and IT executives globally. Fixed energy resources, regulatory compliance, and higher density computing configurations are among a myriad of factors driving the need for new and innovative solutions to maximize existing data center resource utilization while simultaneously serving as critical decision support tools to identify and manage risks associated with cascading faults within the infrastructure. We plan to capitalize on this substantial market opportunity by elevating our Rackwise® product and service offerings among the global network of information technology officers and professionals as solutions of choice for powerful, state-of-the-art tools to responsibly meet their evolving IT infrastructure management needs and advancing traditional corporate objectives to achieve operational and economic optimization. Management's primary concentration during the recently completed first quarter was formulating the corporate infrastructure and foundation to support our business plan and strategic growth objectives. While we anticipate continuing those efforts in the immediate term, we are confident that executing our plan will translate to improved performance in the months ahead and we look forward to reporting on our progress."

Rackwise, Inc.
Condensed Consolidated Financial Information
(Unaudited)

	Three-month period ending March 31,	
	<u>2012</u>	<u>2011</u>
Revenues	\$ 684,149	\$ 536,475
Gross profits	\$ 622,184	\$ 487,709
Operating expenses	\$ 2,859,689	\$ 983,174
Net loss	\$ 2,229,115	\$ 899,127
Net loss per share	\$.02	\$.02

About Rackwise, Inc.

Rackwise, Inc. (OTCBB: RACK.OB) is a leader in software development and marketing within the growing markets for IT infrastructure, data center monitoring, management and optimization, data center cost efficiency and green data centers and its branded Rackwise® Products and Services are used throughout the world. Its flagship data center infrastructure management suite of products and service offerings, **DCiM™** Solutions, are used by over 150 companies worldwide to track, manage, plan, optimize and provide cost analysis of IT infrastructure. For more information, visit www.rackwise.com or call 888.818.2385.

DCiM™ Solutions by Rackwise, Inc. – EVERY ASSET • EVERY LOCATION • EVERY TIME™

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Safe Harbor Statement

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties. The factors that could cause actual future results to differ materially from current expectations include, but are not limited to, risks and uncertainties relating to the availability of additional funding; and the Company's business, product development, marketing and distribution plans and strategies. These and other factors are identified and described in more detail in the Company's filings with the SEC, including, the Company's current reports on Form 8-K. The Company does not undertake to update these forward-looking statements.

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