

Rackwise, Inc. Expects Record Revenue and Bookings for Second Quarter 2012

- Large client contracts driving record results; projects continued sequential improvement for full year –

FOLSOM, CA July 10, 2012 - Rackwise, Inc. (RACK.OB) (the "Company"), a leading developer of data center infrastructure management ("DCIM") software and service solutions, expects to report record bookings and revenue for the second quarter 2012 ended June 30, 2012.

The Company expects revenue for the second quarter of 2012 to be approximately \$1.2 million, a 362% increase from Q2 of 2011, and an increase of 75% from Q1 of 2012. The Company also anticipates bookings to reach approximately \$1.5 million, compared with approximately \$823 thousand recorded during the first quarter of 2012, an increase of 82%. Bookings volume during the second quarter of 2012 was driven by the receipt of several purchase orders from large customers who chose Rackwise® **DCiM**[™] solutions to manage their data center infrastructure operations.

Guy A. Archbold, Rackwise, Inc. Chief Executive Officer, commented, "We are pleased to see our efforts and investments over the last several months produce significant results during the second quarter. Our business is strong and we are attracting larger clients from both the private and public sectors. These record results demonstrate the differentiated quality of our offerings and the strength of our product sales and marketing team. The current quarter provides an excellent example of how Rackwise benefits from licensing agreements with major IT service providers who choose and deploy our products to manage their largest clients' infrastructures and facilities. We have a solid pipeline and anticipate signing additional software license and professional services agreements in the months ahead resulting in continued positive improvement in revenue and bookings throughout the second half of this year."

Rackwise recently introduced its **DCiM**[™] offering, the only currently available DCIM suite solution exclusively powered by Intel DCM. Mr. Archbold noted that this latest version of the Company's DCIM software is rapidly increasing the Company's footprint in the industry, citing its distinct advantages over competitors' offerings, including the unique capability to manage a worldwide network of data centers from a single console. "Rackwise® **DCiM X**[™] empowers IT professionals with the ability to assure reliability, discover hidden capacity, and enable efficiency within their data centers and facilities, and across their IT infrastructure. The operational and economic gains that are realized allow for potentially significant reduced time to value and accelerated returns on investment for our customers," he stated.

The newest Rackwise® **DCiM X**[™] offering includes extensive power modeling, energy monitoring and management, and advanced real-time reporting features which the Company says are designed specifically to address the increased demand for power consumption and management tools. Doug MacRae, Rackwise, Inc. Executive Vice President, Technology Development Group, commented, "The Federal government is implementing incentives encouraging data center operators to "green" their facilities by improving energy usage. In conjunction with those efforts, we are very excited to be working with a leading government agency and a major utility to design programs that utilize our **DCiM X**[™] to optimize equipment utilization and reduce energy consumption to make data centers greener."

Second Quarter Highlights

During the quarter, the Company received purchase orders from a number of significant customers, including the following:

- Fortune 50 global IT infrastructure and services provider for deployment of Rackwise® DCiM™ solutions in all of its own data centers, as well as making those solutions available to its outsourced data centers worldwide;
- Major Southwestern state for deployment of Rackwise® software in two significant outsourced data centers that support the IT infrastructure for 27 key state agencies;
- SLAC National Accelerator Laboratory in Menlo Park, CA, operated by Stanford University for the U.S Department of Energy Office of Science, for renewal and expansion of its existing contract;
- Major West Coast power company, one of the largest utilities in the nation, for an extended renewal and maintenance agreement;
- U.S. Army Corps of Engineers, for renewal of contract and expanded utilization of Rackwise® DCiM™ solutions to manage its primary and satellite data centers; and
- Global cruise and travel company for renewal of its existing contract.

Rackwise expects to report second quarter 2012 financial results no later than August 15, 2012.

About Rackwise, Inc.

Rackwise, Inc. (RACK.OB) is a leader in software development and marketing within the growing markets for IT infrastructure tracking, monitoring, modeling, and management. The Company's suite of DCiM™ product and service offerings enables clients to effectively manage today's high density computing configurations and virtualized data centers while mitigating the risks associated with cascading faults within the infrastructure. Rackwise® solutions integrate device level, real-time monitoring with advanced modeling, reporting, analytics and other critical features and functionalities, providing users with robust, state-of-the-art platforms to responsibly optimize operations and maximize cost efficiencies of their IT infrastructures, and progress toward achieving sustainable green data centers. Its branded Rackwise® Products and Services, DCiM™ Solutions, are used by over 150 companies worldwide. For more information, visit www.rackwise.com or call 888.818.2385.

Rackwise®, DCiM™ and DCiM X™ are trademarks of Rackwise, Inc. Other designated trademarks and brands mentioned herein are the property of their respective owners.

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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