

Secure Information Exchange

LD MICRO Conference – Los Angeles

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globalSCAPE®

Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The words “would,” “exceed,” “should,” “anticipates,” “believe,” “steady,” “dramatic,” and variations of such words and similar expressions identify forward-looking statements, but their absence does not mean that a statement is not a forward-looking statement. These forward-looking statements are based upon the Company’s current expectations and are subject to a number of risks, uncertainties and assumptions. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Among the important factors that could cause actual results to differ significantly from those expressed or implied by such forward-looking statements are risks that are detailed in the Company’s Annual Report on Form 10-K for the 2010 calendar year, as filed with the Security Exchange Commission on March 29, 2011.

Today's Discussion

- Market growth drivers
 - Security and compliance
 - Cloud
 - Big data
 - Mobile content access
- GlobalSCAPE at a glance
- Growth into adjacent markets
- Recent financial highlights
-  acquisition

Data loss incidents creating buzz

RECORDS	DATE	ORGANIZATIONS
<u>130,000,000</u>	2009-01-20	Heartland Payment Systems, Tower Federal Credit Union, Beverly National Bank
<u>94,000,000</u>	2007-01-17	TJX Companies Inc.
<u>90,000,000</u>	1984-06-01	TRW, Sears Roebuck
<u>76,000,000</u>	2009-10-05	National Archives and Records Administration
<u>40,000,000</u>	2005-06-19	CardSystems, Visa, MasterCard, American Express
<u>26,500,000</u>	2006-05-22	U.S. Department of Veterans Affairs
<u>25,000,000</u>	2007-11-20	HM Revenue and Customs, TNT
<u>17,000,000</u>	2008-10-06	T-Mobile, Deutsche Telekom
<u>16,000,000</u>	1986-11-01	Canada Revenue Agency
<u>12,500,000</u>	2008-03-26	LaSalle Bank, BNY Mellon Shareowner Services, Archive Systems Inc, The Walt Disney Company, SYNOVUS

Source: DataLossdb.org website, March 21, 2011.

YANKS LEAK PERSONAL INFO FOR SEASON-TICKET HOLDERS



UPDATE 2-Sony breach could cost card lenders \$300 mln



Breach in Texas comptroller's office exposes 3.5 million Social Security numbers, birth dates



Regulations and Compliance

Sarbanes-Oxley Act

Gramm–Leach–Bliley Act (GLBA)

EU Data Protection Directive

Federal Information Security Management Act (FISMA)

Payment Card Industry Data Security Standard (PCI DSS)

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

Business relies on secure data transfers

- Need to **securely and efficiently exchange business data** with partners or customers on a global basis
- Need data transfers **automated** to keep business moving
- Need to send **very large files via email** to meet a deadline
- Need to provide **full compliance** and auditing reporting
- Need to seamlessly **connect to existing backend systems** like procurement, fulfillment, accounting, customer, inventory, and support

Moving to the cloud

- Expensive and under utilized data centers
- “Pay as you go” service instead of buying and supporting software, hardware servers, power, patches, upgrades
- Main benefit is cost reduction
 - Example – Library of Congress data multiple times over
 - Buy hardware and equipment: \$1.7M *
 - Outsource the storage: \$130K *
- Main concern is security
- U.S. government “Cloud First” policy



* Source: Investors Business Daily “How To Overcome The Data Tsunami”. February 28, 2011.

Mobile data access

Your personal and business life, in one place.



Company at a glance

Overview

- We provide **secure information exchange software and services** for enterprises and consumers
- Headquartered in San Antonio, Texas, with 84 full-time employees
- Founded 1996; publicly traded on NYSE Amex under ticker symbol 'GSB'

Business Highlights

- GlobalSCAPE has over 15,000 enterprise customers in over 150 countries; 2M licenses issued for CuteFTP[®]; deployed by majority of Fortune 100
- Recognized as leader and innovator in the Information Security and Managed File Transfer Sectors by Gartner Group and others
- Profitable for 28 of the past 30 quarters (as of 9/30/2011); CAGR of 25+% during 2005 – 2009 (resulting in Deloitte Technology Fast 500 recognition in 2009 and 2010); Named to Russell Microcap[®] Index
- Outstanding company culture recognized by Computerworld and other publications

Select Customers



Human Energy[®]










Trended Financial Results

(\$ in thousands)

	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Revenue	\$ 4,917	\$ 4,644	\$ 5,710	\$ 5,417
Gross Margin	4,704	4,275	5,181	4,966
<i>Gross Margin</i>	95.7%	92.1%	90.7%	91.7%
Operating Expenses				
R&D	813	785	762	811
SG&A	3,367	3,194	3,511	3,450
Operating Income (Loss)	268	92	728	540
Net Income	150	59	471	611
Adjusted EBITDA *	778	555	1,166	980
Cash and Short Term Investments	11,087	11,413	12,615	13,404

* Excludes stock-based compensation

Secure File Transfer Leader

	Managed File Transfer
Market Size (\$mm)	\$554
Growth Rate	23.0%
Representative Companies	
	
	
	
	
	
	








Recognized global leader in the Managed File Transfer market



(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Growth into Email Security

Email Security	
Market Size (\$mm)	\$1,929
Growth Rate	17.8%
Representative Companies	      

Launched email-based secure file transfer in August 2010

(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Growth into Cloud Services

	Cloud Computing
Market Size (\$mm)	\$68,300
Growth Rate	20.5%
Representative Companies	      

Launched cloud-based services for exchanging business data in July 2010 and Feb. 2011




(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Growth into Endpoint Security

Web/Network & Endpoint Security

Market Size (\$mm)	\$9,246
Growth Rate	11.0%
Representative Companies	


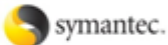





Investment in CoreTrace® in December 2009; Announced ongoing development of consumer security product



(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Growth into Backup & Recovery

	Backup & Recovery
Market Size (\$mm)	\$3,100
Growth Rate	4.6%
Representative Companies	      

*Launched CuteBackup
in June 2011 for consumers.*



(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Growth into Content Mobility

Mobile Content Access & Sharing

Market Size (\$mm)	\$6,000 ⁽³⁾
Growth Rate	15.0%

Representative Companies

Acquired Tappin as subsidiary this Monday Dec. 5, 2011.



(1) Market size projected for CY 2010 except for Mobile Content Sharing market.
 (2) Growth rate is 2009 to 2014 estimated CAGR.
 (3) Market size projected for CY 2012. Growth rate estimated 2012 to 2016.

Secure Information Exchange

Managed
File Transfer

Email Security

Cloud
Computing

Web/Network
& Endpoint
Security

Backup &
Recovery

Mobile Content Access
& Sharing

2012+ Continued Leverage and Integration

Tappln Acquisition – Monday Dec. 5, 2011

- Tappln is a wholly-owned GlobalSCAPE subsidiary
- Combining GlobalSCAPE's leadership in secure information exchange with Tappln's strength in secure digital content mobility
- Users are looking for a trusted solution for easily and securely sharing digital content
- We continue to remove barriers between users and their content, stored in multiple locations, while maintaining privacy and security regardless of the devices being used
- Explosive growth in tablet and smartphone market driving demand for Tappln



Content is Everywhere

Cloud Computing

facebook



Personal and Professional Devices



Large and Growing Market Opportunity

MORE SOCIAL



March 2011, Facebook tops Google for weekly traffic in the U.S.

MORE MOBILE



5.3B mobile subscriptions in 2010. Equivalent to 77% of the world population

More mobile Internet users than PC Internet users by 2014

MORE APPS



Recently Apple surpassed 10 billion app downloads with billions more expected for Apple, Android and BlackBerry®

MORE STORAGE

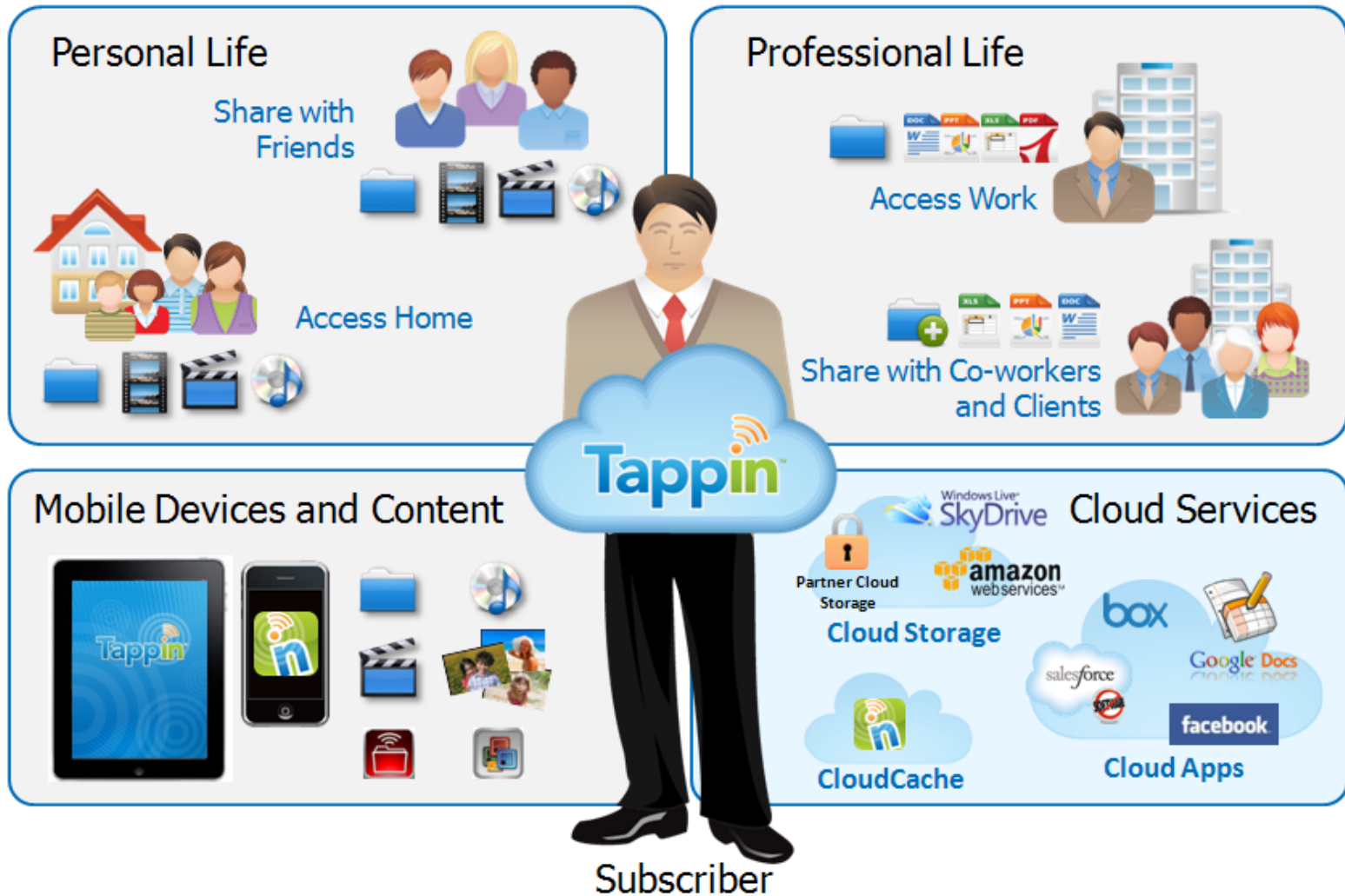


Personal Content in the average home storing nearly nine terabytes of content by 2013

Global Market Drivers

- 90% of the world has access to a mobile network
- The amount of data shared globally each month will more than double between 2010 and 2014, from 5 exabytes/mo to 10+
- The world's data is more than doubling every 2 years-with a colossal 1.8 zettabytes to be created and replicated in 2012

Tappln Connects Content and People



Competitive Landscape



Computer Remote Control

- No sharing capabilities
- Adequate security
- Full computer access and run programs
- No storage to buy
- Pay for each computer accessed
- Mobile phone use is difficult
- Computer must be on (always)



Cloud Storage with Proprietary Software

- Must upload anything you want in order to access
- Have to decide what to upload
- Always a subset of your content
- Security & Trust issues
- Just another place to store content
- Pay based on volume of content
- Computer does not need to be on



YOUSENDIT™

Large File Transfer

- Must upload anything you want to share
- Adequate security
- No computer access and run programs
- No storage to buy
- Pay for each file sent
- Mobile phone use is difficult
- Computer does not need to be on



Going Forward

