

RAE Systems, a Vector Capital Portfolio Company, Enters Into Agreement to Be Acquired by Honeywell

- Combination creates a leader in innovation in global gas detection
- Complementary technologies strengthen product portfolio
- Extends global presence, product portfolio and support for customers and partners

San Jose, CA (April 23, 2013) – RAE Systems, Inc. (“RAE Systems” or “RAE”), a Vector Capital portfolio company, has entered into a definitive agreement to be acquired by Honeywell, for \$340 million in cash.

RAE Systems, Inc. is a global provider of rapidly-deployable connected, intelligent gas and radiation detection systems that enable real-time safety and security threat detection. RAE will be integrated into Honeywell Analytics, a part of Honeywell Life Safety in Honeywell Automation and Control Solutions, to create a leading global manufacturer of fixed and portable instrumentation and sensing technologies.

In June 2011, Vector Capital partnered with the RAE Systems management team to take the company private. As a private company, RAE was able to focus on building long-term value, and has emerged as a rapidly growing global instrumentation and systems business by expanding product offerings and focusing on solutions to better serve customer needs.

Commenting on the transaction, Robert Chen, CEO of RAE Systems, said: "With the full support of Vector Capital, we have broadened our product offerings, expanded our global presence, and optimized our internal operations. Our range of products, innovation in photo-ionization detection and wireless technology are highly complementary to Honeywell. As part of Honeywell, we will enjoy the scale and global presence to expand the reach of our portfolio, including in high growth markets like Brazil and Russia. This transaction will also be beneficial to our customers and distribution partners, providing them access to an expanded portfolio of gas and sensing technologies and a comprehensive range of additional life-safety solutions. Most importantly, Honeywell shares our commitment to saving lives."

David Fishman, a Managing Director at Vector Capital, agreed, "We have had a very successful investment in RAE and partnership with the founders and management team. We are pleased to have selected a buyer for RAE that will continue to invest in the company and its products to further grow the business. RAE Systems is the most recent example in Vector's long history of partnering with management to realize significant value by growing and transforming technology companies."

The closing of this transaction is expected to occur in the second quarter of 2013. Until that time, RAE Systems will operate as an independent company and will continue to serve its customers, distribution partners and markets.

Citigroup Global Markets Inc. is acting as financial advisor to RAE Systems and Vector Capital, and Shearman & Sterling LLP is acting as RAE and Vector Capital's legal advisor.

About Vector Capital

Vector Capital is a leading global private equity firm specializing in spinouts, buyouts and recapitalizations of established technology businesses. Vector identifies and pursues these complex investments in both the private and public markets. Vector actively partners with management teams to devise and execute new financial and business strategies that materially improve the competitive standing of these businesses and enhance their value for employees, customers and shareholders. Among Vector's notable investments are Aladdin Knowledge Systems, Cambium Networks, Certara, Corel, Gerber Technologies, Register.com, SafeNet, Technicolor, Teletrac, Tidel, WatchGuard Technologies, and WinZip.

About RAE Systems

RAE Systems, Inc. innovates, designs and manufactures gas sensors and radiation detectors. The company offers a full line of fixed and portable gas detection solutions, including handheld and personal chemical, compound and radiation detection instruments. RAE Systems' real-time safety and detection systems have been deployed by organizations in the oil and gas, fire and hazmat, industrial safety, national security and environmental markets, helping save lives and maintain safety in 120 countries. The company's industry-leading gas sensors and radiation detection solutions are widely recognized for their performance and reliability. Learn more at raesystems.com.

Contacts

RAE Systems

James Strohecker

+1-408-952-8252

jstrohecker@raesystems.com

Vector Capital

Aryn Yancher

+1-415-293-5029

ayancher@vectorcapital.com