



VORMETRIC

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Vormetric Expands Leadership in the Data Security Market With Key Customer Wins and Strategic Partnerships

Triples Revenue, Triples Customers From FY2005 to FY2006

SANTA CLARA, CA - August 16, 2006 - Vormetric, the leading provider of data security solutions for protecting sensitive data from unauthorized access, today announced key customer wins, new strategic partnerships, and triple revenue growth during its fiscal year that just ended. In addition, the company expanded relationships with key partners including Oracle, Microsoft and IBM, and added seven Payment Card Industry (PCI) partners.

Vormetric's flagship product, CoreGuard, protects data stored on thousands of servers worldwide. The company's customers include government and Fortune 500 companies in financial services, transportation, entertainment, and computer technology. Customers include BMW, EDS, Bank of Tokyo Mitsubishi, and University of Texas Health Center. New customers include Sirius Radio, Retail Ventures/DSW Shoes, Richemont, Online Resources and Pemco Technology Services Inc.

"Today, enterprises must demonstrate an effective security and data protection practice to instill and maintain trust and loyalty among customers and shareholders," said Jon Oltsik from Milford, Massachusetts-based research firm Enterprise Strategy Group. "Consumers today are more aware of computer security and risks than ever before. This makes trust through good data stewardship hard to earn, easily lost in a breach, and extremely expensive if not impossible to regain."

In a recent article in Network World Magazine (7.17.06), Retail Ventures/DSW Shoes Security Manager Dave Row also talked about how he uses encryption technology from Vormetric to "protect data at rest."

"Increased regulatory requirements means that we must meet very strict reliability and security levels," said Charles Elledge, CIO, Pemco Technology Services Inc. "Vormetric CoreGuard helped us solve our data security problems and comply with regulatory requirements. Vormetric was selected as a primary data security product because it solved problems without adding new ones."

In addition to a growing customer base, Vormetric has achieved further success with its newly implemented partner program for the Payment Card Industry. The company's PCI partners include Security Metrics, 5PEG Security, Vigilar, Coalfire Systems, TruComply and AOmega. Vormetric expanded several key technology partnerships with participation in Oracle's Database Vault initiative and Microsoft's Secure IT Alliance, as well as increasing joint activities with IBM and Symantec/Veritas.

"Our customers are experiencing challenges with data security, particularly since they store, transmit or share customer cardholder data and must adhere to compliance regulations regarding data protection, like PCI DSS," said Wenlock Free, Vice President Business Development SecurityMetrics, a PCI Qualified Data Security Company. "Our partnership with Vormetric allows us to offer our customers a complete data protection solution that enables them to secure their sensitive data without altering their infrastructure or degrading the performance of their applications. This helps them meet their business objectives and lowers the total cost of ownership."

"Vormetric's momentum is indicative of greater market awareness and demand for data protection and privacy solutions such as ours, and we expect continued aggressive growth," said Tom Grubb, Vice President of Marketing, Vormetric, Inc. "The global nature of data today provides increased risks, so there is a proven demand for data protection products. Our growing list of customers is concerned about protecting their information whether it is protecting consumer data or protecting their own intellectual property from competitors, partners, crime syndicates or third party customers."

"Our experience with PCI allows us to identify and recommend effective security controls that make sense for our clients' specific requirements," said Kennet Westby, CTO and Co-Founder of Coalfire Systems, a PCI Qualified Data Security Company. "Vormetric's products allow our clients to meet critical PCI criteria and dramatically reduce their risk of unauthorized access to sensitive information, including cardholder data."

"5PEG SECURITY strives to educate and guide clients in compliance and security 'best practices' utilizing our years of experience with data security," said John Moon, CEO of 5PEG SECURITY, Inc., a PCI Qualified Data Security Company. "Vormetric's approach to encryption, access control, auditing, and host integrity provides a solid offering and solution to customers with compliance needs in these areas."

"Our knowledge and experience within PCI allows us to provide highly effective security solutions for our clients. We provide assistance through a combination of on-demand access to payments security experts and a web-based portal that offers detailed information on compliance requirements, risk assessment and program planning templates and more," said Chris Noell, President, TruComply. "By partnering with Vormetric, we can help make sure our clients are fully aware of the important data encryption, access control, auditing, and host integrity requirements in the PCI and ultimately help our clients effectively mitigate risk and achieve compliance. We are excited to launch a PCI service with a market leader such as Vormetric."

About Vormetric

Vormetric is the leader in data security management and enforcement solutions. Vormetric Data Security provides a centrally managed, high performance, easy-to-implement, distributed solution that solves the pressing compliance, security and risk

management challenges facing today's enterprises and government agencies. Vormetric's application- and database-transparent solution outperforms other offerings to provide stronger and broader data security at a fraction of the management and implementation cost.

Vormetric's more than 230 customers represent the world's most trusted brands in financial services, retail, manufacturing, healthcare, media, energy and telecom industries as well as highly security conscious government agencies.

Vormetric technology has received strong market validation for its innovative approach to data security, including:

- Selection by IBM as the core database encryption solution for DB2 and Informix on Linux™, Unix® and Windows
- *Computerworld* Technology Innovation Award
- Selection by Symantec to provide the Symantec Veritas NetBackup™ Media Server Encryption Option
- Partnership with Oracle to secure the execution environment for Oracle® Database Vault
- Five patents issued and nine patents pending

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