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Vormetric Completes Fiscal 2011 with Record Revenue and Profits

Leading Provider of Enterprise Encryption Doubled Number of Systems Protected; Achieves 8th Consecutive Quarter of Profitability

SAN JOSE, Calif. – May 4, 2011 – Vormetric, Inc., the leader in enterprise systems [encryption](#) and key management for physical, virtual and cloud environments, today announced record business results for its 2011 fiscal year. In the twelve months ended March 31, Vormetric more than doubled the number of systems protected and achieved its eighth consecutive quarter of operating profitability. Demand for the Company’s solutions increased throughout the year, culminating with revenue growth of 96% and operating profit of 36% for the quarter ending 3/31/11. The world’s leading retail, healthcare, semiconductor, high tech, outsourcers, governments and financial institutions, including seven of the Fortune 20, rely on Vormetric to protect their sensitive data and meet regulatory compliance requirements.

According to a recent report published by Forrester Research entitled *The Evolution of IT Security, 2010 To 2011*, 88 percent of firms are focusing their IT security investments on boosting their [data security](#) defenses. With the increasing migration and distribution of data from physical servers to virtual environments and cloud infrastructures, enterprises need to maintain the same security controls and audit capabilities used in their datacenters regardless of the location of sensitive and regulated information. Vormetric enables companies to encrypt any file, any database, any application, anywhere it resides— without sacrificing application performance or creating key management complexity.

“Our strong growth is due to rapidly increased market demand to broadly protect enterprise data and our unique ability to address that need for both structured and unstructured data in physical, virtual, and cloud environments”, said Richard Gorman, president and CEO of Vormetric. “Customers choose Vormetric as their enterprise standard because we can meet all their encryption needs while ensuring top notch availability and performance are maintained. In addition, the introduction of Vormetric [encryption for the Cloud](#) has also developed significant traction. Virtually every organization we speak with is looking at ways to use the cloud as an extension of their datacenter, but security, especially for sensitive data, is one of the most pressing requirements to address for cloud initiatives.”

2011 Fiscal Year Highlights

In FY2011, Vormetric experienced record growth due to increasing enterprise demand for encryption, access control and key management. This need to protect sensitive data was driven by regulatory compliance for PCI DSS for merchants and banks, the HITECH Act for healthcare, numerous federal and state laws, executive mandates to encrypt human resources data, growing adoption of Data Leak Prevention (DLP) solutions to discover sensitive data and safe harbor protection against breaches like the recent Epsilon incident. Highlights of Vormetric's achievements in FY2011 include:

- Introduced Vormetric Data Security for Amazon Web Services (AWS), extending Vormetric Data Security capabilities for data-centric protection to the public cloud and establishing Vormetric as a leader in the rapidly growing cloud security market
- Recorded eighth consecutive quarter of operating profitability
- More than doubled the number of systems protected by Vormetric
- Embarked on the first phase of the largest known server encryption installation – more than 27,000 servers containing structured and unstructured healthcare and retail data
- Addressed rapidly increasing executive mandates to protect HR data, which included encryption deployments at multiple Fortune 100 enterprises for SAP, PeopleSoft and other ERP large scale data stores

About Vormetric

Vormetric is the leader in enterprise systems encryption and [key management](#) for physical, virtual and cloud environments. The Vormetric Data Security product line provides a single, manageable and scalable solution to encrypt any file, any database, any application, anywhere it reside. Vormetric achieves strong encryption without sacrificing application performance or creating key management complexity. The most security conscious organizations and government agencies in the world, including 7 of the Fortune 10, have standardized on Vormetric to provide strong, easily manageable data security. For more information visit: www.vormetric.com.

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