SVB Financial Group

PC Guardian Technologies Announces $6 Million in First Round Funding from Altos Ventures and Cardinal Venture Capital

Trusted Encryption Supplier Expands to Meet Growing Concerns Surrounding Enterprise Data Security

SAN FRANCISCO, June 6, 2005 — PC Guardian Technologies Inc., the trusted supplier of encryption software to numerous large organizations in North America, the United Kingdom, Japan and Australia, today announced it has received $6 million in a Series A round of financing. The round was funded by Altos Ventures and Cardinal Venture Capital, with equal participation by each firm. Investment banking firm, SVB Alliant, served as the financial advisor and placement agent. Anthony Lee, general partner of Altos Ventures, and Derek Blazensky, general partner of Cardinal Venture Capital, will be joining the PC Guardian Board of Directors. The company will use the infusion of capital to support ongoing research and development and expand sales and marketing efforts.

"Growing concerns about consumer privacy and enterprise data security, as well as the passage of security legislation such as California Senate Bill 1386, have heightened interest in this market and will propel growth over the next five years," said Anthony Lee, general partner, Altos Ventures. "Encryption is generally acknowledged to be the best defense against loss or theft of mission-critical data, and PC Guardian is a long-established and respected player in this field."

PC Guardian has a track record of more than 10 years of encryption experience and an international customer base of large corporations, government agencies, the U.S. military, universities and other institutions, with more then 400,000 actively installed users. PC Guardian's client list includes Fortune 500 companies across several vertical markets, with a majority in the defense and aerospace, financial services and healthcare industries. Key clients include Lockheed Martin Corporation, Lincoln National and Humana Inc.

"A recent string of computer security breaches have allowed the confidential information of millions of people to be compromised," said Derek Blazensky, general partner, Cardinal Venture Capital. "PC Guardian understands the impact of this type of security breach on individuals and organizations and is developing solutions to help organizations gain control of their digital assets and protect themselves from similar problems down the road."

PC Guardian's comprehensive family of encryption software solutions protects data stored on computer hard drives, PDAs/handhelds and removable media as well as data transmitted via email. Last year, the company introduced an optional server-based management console to provide real-time management of encryption users across an organization. In April, the Encryption Plus® Crypto Library, the underlying cryptographic technology that PC Guardian uses to protect data, received FIPS 140-2 certification from the U.S. government to protect sensitive information. FIPS 140-2 is the Federal Information Processing Standard for cryptographic technology.

"With this funding, PC Guardian Technologies is poised to assume a new leadership position in the encryption industry," said Noah Groth, CEO of PC Guardian. "Before this decade is over, the encryption of sensitive and mission critical information will be the norm. Every public and private sector organization will be looking for a pervasive data protection solution that is scalable, easily managed and affordable. PC Guardian will be ready and able to help them."

About PC Guardian Technologies
PC Guardian Technologies (http://www.pcguardiantechnologies.com/) is a trusted partner to organizations looking to reduce the cost and complexity of deploying and managing enterprise-class encryption across multiple mobile devices. PC Guardian's family of encryption products, marketed under the Encryption Plus® and Encryption Anywhere™ brands, offers enterprises greater control over digital assets, ensures regulatory compliance and protects information confidentiality -- without diminishing employee productivity.

About Altos Ventures
Altos Ventures is a first-stage venture capital firm focused on leading investments in emerging technology companies with the goal of building market leaders. Since 1996, the Altos Ventures team has worked closely with talented entrepreneurs to build companies that have generated more than $1 billion in revenue. Altos manages $200 million in dedicated first-stage capital on behalf of leading endowment, fund-of-funds, financial and family office investors based in the United States and Asia. Altos Ventures is based in Menlo Park, California. Additional information is available at http://www.altosvc.com/.

About Cardinal Venture Capital
Cardinal Venture Capital invests in early stage information technology companies, including enterprise software and services, Internet infrastructure software, wireless applications, electronic payments and digital media. Cardinal's investing team helps build successful technology-based businesses by applying their extensive experience as entrepreneurs and operating managers. Cardinal Venture Capital is based in Menlo Park, California. Additional information is available at

http://www.cardinalvc.com/.

About SVB Alliant
SVB Alliant is a leading investment banking firm providing merger and acquisition and private capital advisory services to technology and life science companies. SVB Alliant's expertise spans the technology landscape, with deep subject-matter and execution experience in semiconductors, communications, software and services, life sciences and premium wine. The firm has offices in Palo Alto and San Diego, California and in Boston, Mass. SVB Alliant is a subsidiary of global financial services firm, Silicon Valley Bancshares. Additional information is available at http://www.svballiant.com/.

Web site: http://www.altosvc.com/

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