



Ceres Venture Fund, L.P. Invests in Vormetric, Inc. a Leader in the Fast-growing Data Security Market

CHICAGO 1/26/2012—Ceres is pleased to announce that it has made an investment in Vormetric, Inc. Founded in 2001, the company provides data security solutions to Fortune 500 companies and governmental agencies. They are the leader in the high value added data encryption and key management sector. The company's products encrypt and control access to data with a portfolio of products including Vormetric Encryption and Vormetric Key Management. Its products can be deployed across all database and file types in physical, virtual and virtual environments. The company's technology is protected with 14 patents.

As hacking incidents increase in frequency and severity, the market for data security solutions is largely untapped and the need for highly sophisticated data protection continues to grow. Vormetric is positioned at the cutting edge of efforts to protect organizations against security threats in all forms. High profile breaches just in 2011 have included a massive attack on RSA Security, a division of EMC, involving 760 major client companies. SK Telecom of Korea suffered one of the largest hacking incidents to date. Several hundred other major incidents were reported during the year and in most cases, the targeted data had not been protected with encryption.

“As threat and awareness levels have increased, corporations and governments are making large investments in the protection of mission critical and sensitive data housed in their data centers and servers” said Sona Wang, Managing Director of Ceres. In 2011 the Data Encryption segment of the Computer Security market was estimated to be over \$1 billion and growing rapidly.

Vormetric is used by 15 of the Fortune 25 and over 800 customers. Vormetric has exclusive partnerships and OEM relationships with market leaders including IBM and Symantec. International sales enabled by these partnerships present significant opportunity. In the last twelve months bookings have grown over 40% year over year. Operating profits have also grown steadily over the last three years.

Comparable companies that have either been acquired or have gone public demonstrated strong valuations. Most recently, Imperva, Inc. (Nasdaq:IMPV), a complementary company in the data monitoring segment of the security sector, completed its highly successful IPO in November 2011 and has performed well in the aftermarket.

“We are extremely pleased to have Ceres Venture Fund join the company as our latest significant investor. Sona Wang has already provided valuable contributions to the company through her

many contacts within our target markets,” said Richard Gorman, CEO. The seasoned management team is led by Mr. Gorman who was previously Senior Vice President of Siebel Systems responsible for over \$1 billion in revenues. He has also held senior executive positions at Apple Computer, Sun Microsystems and Borland.

Ceres joins existing investors Chicago-based JK&B Ventures, Vanguard, Sigma Partners and Quicksilver.

Ceres Venture Fund, L.P. is dedicated to funding high growth businesses in the Midwest and focuses on investment opportunities in the information technology, healthcare and business services areas. Ceres’ principals, Sona Wang, Donna Williamson, and Laura Pearl, have over 60 years of experience in venture capital and operating early stage companies and have collectively invested more than \$130 million in capital. The partnership is one of the few venture funds focusing its efforts on young growing businesses in the Midwest. Ceres has a particular but non-exclusive interest in financing women-led companies. Ceres is based in Evanston, Illinois. Additional information can be found at www.ceresventurefund.com.