

Clearswift Acquires Content Technologies

Submitted by: Eric Leach Marketing

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\$30 Million Offered to Baltimore Technologies

Clearswift Corporation, the privately-held UK Secure Content Management software company, today announced its offer of \$30 million (£20.5 million) to acquire the Content Technologies subsidiary of Baltimore Technologies plc (London, BLM). Acceptance of this offer is provisional and subject to Baltimore shareholders' approval at their extraordinary general meeting.

Clearswift was created in 2001, when experienced new management, a \$10 million investment and international offices were added to the 19 year old NET-TEL organisation. In July 2001, it launched Clearswift Enterprise Suite (ES), an easy to use, highly scalable and portable solution for content filtering, messaging policy enforcement and email security. Clearswift ES, designed for larger enterprises, has been strongly endorsed by the marketplace. Organisations who have adopted Clearswift products include Marks & Spencer, Standard Life, MCI Worldcom and NATO.

The Content Technologies subsidiary of Baltimore Technologies plc sells and supports the market leading MIMESweeper family of products, through a global network of offices and partners. Over 10,000 customers and 10 million end users benefit from MIMESweeper Policy-Based Content Security solutions within their Email and Web environments. Developed on Microsoft Server-based technology, MIMESweeper can be deployed to manage Internet and Intranet based messaging systems.

The market for Secure Content Management software is predicted by analysts IDC to grow 20.5% Compound Annual Growth Rate up to 2005. Clearswift

expects its own growth to exceed market projections, especially given that Email Filtering is forecast to grow by 46% CAGR.

"The combination of Clearswift and Content Technologies will create the world's number one company for managing email and Web secure content. We will be the only company with products, services and sales channels to meet the needs of customers of all sizes and levels of complexity. Complementary products, channels, geographic coverage and management skills provide for an excellent fit between the two UK organisations, whose headquarters are just 12 miles apart," said Don Taylor, CEO, Clearswift.

A syndicate of venture capital funds - Amadeus Capital Partners, Cazenove Private Equity and Kennet Capital - is backing the acquisition. Amadeus Capital Partners is also an existing investor in Clearswift.

Bijan Khezri, CEO, Baltimore Technologies plc, comments, "Integrating Baltimore's Content Technologies business with Clearswift creates a powerful new force in the global content security marketplace. Baltimore believes that there is value in maintaining a shareholding in the new Clearswift - providing a potentially significant upside."

After the completion of the acquisition, the new Clearswift Company will be headquartered in Theale, Berkshire, UK. International offices are in the USA (East and West Coast), France, Germany and Australia, with additional operations in Japan.

About Clearswift

Clearswift Corporation is a provider of award-winning Enterprise Email Management solutions. Clearswift provides organisations worldwide with highly scalable tools for content filtering, messaging policy enforcement

and email security. Clearswift ES (Enterprise Suite) is a portfolio of products for larger enterprises, government organisations and service providers. MailGuard is a streamlined product for small and medium sized enterprises. Mistakes and malice using email can lead to high-profile security breaches, expensive lawsuits and damaged reputations. Clearswift products can combat the abuse of the email communications channel, in turn offering protection and peace of mind.

The company is headquartered in Ruscombe, Berkshire, with a Software Laboratory in Welwyn Garden City, Hertfordshire, UK. US headquarters are in Waltham, Massachusetts. Clearswift traded as NET-TEL from 1982 to June 2001. More information about Clearswift, its products and services is available at <http://www.clearswift.com>

About Content Technologies

Content Technologies' MIMESweeper products are the world's leading family of Web, Email and Intranet content security solutions. More than 10,000 customers and 10 million users globally use the award winning MIMESweeper solutions to protect their networks and business from email and Web-based threats. These threats include the circulation of inappropriate images and text, Spam and oversize files that can cause degradation in network service, loss and corruption of data, breaches of confidentiality, as well as viruses and malicious code. Content Technologies is a wholly owned subsidiary of Baltimore Technologies, who acquired the company in October 2000.

For more information on Content Technologies, see <http://www.mimesweeper.com>

About Baltimore Technologies

Baltimore Technologies' products, services and solutions solve the fundamental security and trust needs of e-business. Baltimore's e-security technology gives companies the necessary tools to verify the identity of those with whom they are doing business and to securely manage which resources and information users can access on open networks. Many of the world's leading organisations use Baltimore's e-security technology to conduct business more efficiently and cost effectively over the Internet and wireless networks. Baltimore also offers worldwide support for its authorisation and public key-based authentication systems. Baltimore's products and services are sold directly and through its worldwide partner network, Baltimore TrustedWorld. Baltimore is a public company, trading principally in London (BLM), with offices in major cities worldwide.

See

<http://www.baltimore.com>

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