



DATAPOWER RAISES \$10 MILLION IN ADDITIONAL FINANCING

Atlas Venture Joins Mobius, Venrock, and Seed Capital Investors in Application-aware Networking Pioneer and Leader; Additional Funding to Fuel Aggressive Expansion

CAMBRIDGE, Mass.--February 14th, 2005-- DataPower®, the leading provider of XML-aware network devices for securing, optimizing and routing XML messages, announced today that it has secured \$10 million in additional funding, led by Atlas Venture, a leading international early-stage venture capital firm, bringing DataPower's total venture capital investment to over \$25 million. Atlas Venture joins Mobius Venture Capital, Seed Capital Partners and Venrock Associates as investors.

"As a former partner at Seed Capital, an early participant in DataPower's previous funding, I've had the unique and fortunate opportunity to watch DataPower not only pioneer XML-aware networking, but also see the company consistently prove time and again that it is the market leader," said Jeff Fagnan of Atlas Venture, who is also rejoining DataPower's board of directors. "DataPower's forward thinking in management, product development and market execution is a clear indication that it is the unmistakable leader in this fast growing application-aware networking space."

DataPower will use this funding to accelerate and expand its global marketing and sales, in addition to seeking opportunities for strategic acquisitions that could help meet DataPower's accelerated growth, customer demand and its overall market opportunity for application-oriented networking. Founded in 1999, DataPower invented its now patented [XG3 technology](#) that powers the first intelligent, wirespeed XML-aware networking products in the [DataPower XA35 XML Accelerator](#); the [DataPower XS40 XML Security Gateway](#); and the [DataPower XI50 Integration Appliance](#). DataPower's true network devices are the most widely deployed XML appliances with Global 1000 firms and leading organizations that include ADP, BAE, Bell Canada, Booz Allen Hamilton, Cendant, CIBC, the Commonwealth of Massachusetts, Department of Defense, GFKL, The Hartford, Hemscott, JPMorgan Chase Bank, Leader Technologies, Navio, Northrop Grumman, Pfizer, Principal Financial, Royal Bank of Canada, RouteOne, UBS, U.S. VA, and Wachovia.

In addition to this great end-user traction, in 2004 DataPower was the [first to break the Gigabit Barrier for XML processing](#) with the introduction of its fourth generation ASIC-based XML chipset, XG4. DataPower's XG4 subsystems offer OEMs DataPower's field-proven XML processing technology in a broad range of form factors, speed ratings and features. The XG4 product family allows OEMs, such as network vendors or blade server manufacturers, to embed XML Web Services security in traditional firewalls or security switches, SOAP load balancing in server load balancers, XML acceleration in routers, or XML virtualization capabilities in blade servers.

"DataPower's products help organizations move to next-generation IT architectures by reducing operational complexity, improving performance and enabling security for XML, Web services and integration in the network, which continues to be a top priority for enterprises," said Jim Ricotta, president and CEO at DataPower, and formerly general manager of Cisco Systems' (NASDAQ: CSCO) Content Networking Business Unit, "This additional round of funding enables us to accelerate our rapid expansion worldwide in order to capitalize on the tremendous opportunity and potentially further our growth through strategic acquisitions."

"The Internet is evolving rapidly toward a service-oriented framework where applications are implemented as services, communicating over the Internet via XML," said Cheng Wu, Chairman of Acopia Networks, formerly founder & CEO of ArrowPoint Communications, and DataPower board member since early 2002. "As a pioneer and market leader of wire-speed XML networking, DataPower is uniquely positioned to provide enabling building blocks that allow the Internet to be transformed from today's packet networks to tomorrow's application-aware message networks at the Internet scale."

About Atlas Venture

Atlas Venture is the leading international early-stage venture capital firm, investing in information technology, communications and life sciences companies. Founded in 1980, Atlas Venture has organized six international funds, and currently manages \$2.1 billion in committed capital. The Atlas Venture investment team comprises seasoned operating executives and career venture capitalists who have been deeply involved in the formation and development of more than 300 companies worldwide. For more information about Atlas Venture, go to www.atlasventure.com.

About DataPower

DataPower provides enterprises with intelligent XML-Aware network infrastructure to ensure unparalleled performance, security and manageability of next-generation applications and XML Web Services. DataPower's patented XML Generation Three (XG3™) technology powers the industry's first wire-speed XML-aware networking devices that provide immediate return on technology investments while streamlining application deployments. Founded in 1999, DataPower is privately held and based in Cambridge, MA. For more information about DataPower Technology, please contact 617-864-0455 or visit www.datapower.com

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