



IBM ACQUIRES DATAPOWER; HELPS IMPROVE SECURITY AND SPEED PROCESSING OF BUSINESS APPLICATION SOFTWARE

CAMBRIDGE, Mass.--October 18th, 2005-- --IBM today announced it has acquired DataPower, a Cambridge, Mass.-based, privately-held provider of products that help improve security and speed the processing of computer transactions. Financial details were not disclosed.

IBM acquired DataPower to help companies improve the performance, security and management of business processes built of reusable, open-standards-based software components, which operate independently from the applications and computing platforms on which they run. This increasingly popular approach, called Service Oriented Architecture (SOA), combines business operations with information technology. According to Gartner, an IT industry research firm, SOA will provide the basis for 80 percent of new software development projects by 2008. IBM plans to introduce a family of SOA appliances based on DataPower technology.

The widespread adoption of open standard technology has enabled software applications to better interoperate across business units and externally with third parties. While this has helped companies improve productivity, quickly respond to changing business needs and seize opportunities, it has also placed new demands on IT systems, which can become overburdened from processing high volumes of Web services traffic and resource-intensive malicious attacks.

"With more companies taking a modular approach to running business processes through a Services Oriented Architecture, there's a greater need for technology to deal with the commensurate increases in Web services traffic, which can overburden IT systems," said Robert LeBlanc, general manager, WebSphere, IBM Software Group. "DataPower's products address these challenges."

DataPower is a leading provider of SOA appliance products that enable integration and help provide security at the Web services message level. DataPower products available today include the XI50 Integration Device, which streamlines SOA infrastructures; the XA35 XML Accelerator, which offloads XML processing; and the XS40 XML Security Gateway, which helps provide message-level Web services security. DataPower security features complement the SOA security management capabilities of IBM's Tivoli software.

IBM has a broad portfolio of SOA solutions that enable clients to more effectively model, assemble, deploy and manage business processes. Already integrated with many IBM products, DataPower builds on IBM's existing SOA capabilities, including its WebSphere software, SOA services and consulting. As part of its SOA Business Partner initiative, IBM now has over 150 partners, which can benefit from the new deployment model the

DataPower acquisition provides. Data centers can also benefit from DataPower's XML and security technology, including its product designed for IBM eServer zSeries mainframe integration.

"XML Web services have become the dominant protocol for connecting disparate systems," said Jim Ricotta, CEO, DataPower. "DataPower's specialized technology not only provides connectivity, but also message-level security, routing, integration and acceleration. DataPower products nicely complement IBM's SOA capabilities."

Mr. Ricotta will continue to manage DataPower and will undertake additional responsibility within IBM's WebSphere software area. Through this acquisition, DataPower employees will become IBM employees.

About IBM WebSphere

IBM WebSphere software provides businesses with integration capabilities designed to maximize both flexibility and responsiveness. Understanding that a flexible IT infrastructure is integral to becoming an On Demand Business has led to IBM WebSphere's position as the marketplace-leading integration software, or middleware, for integrating, people, processes and information, as well as the applications and infrastructure software that support them, across a wide variety of computing platforms. WebSphere software is used by tens of thousands of companies and other organizations for enterprise integration. For more information on IBM's on demand strategy, visit <http://www.ibm.com/ondemand>

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