



Protect Data acquires Reflex Software Limited to extend product portfolio

– Acquisition extends the product portfolio to meet customer demand for port and device control solutions

STOCKHOLM, Sweden – November 2, 2006 – Protect Data AB today announced that it has acquired the privately held Reflex Software Ltd and its subsidiaries. Reflex Software's wholly owned subsidiary, Reflex Magnetics Ltd, is based in London, UK, and was founded in 1985.

Through the acquisition, Protect Data extends its Pointsec data protection product portfolio with security software which provides port and device control functionality. Reflex Software and its subsidiaries have 35 employees and had net sales of £3.1 million in the fiscal year ending March 31, 2006.

"Pointsec customers are increasingly looking for port and device control solutions, and Reflex Magnetics has long since established itself as a leader in this area," said Peter Larsson, CEO, Protect Data. "Another key factor behind this acquisition is that Reflex Magnetics shares our vision to offer solutions that support customers' overall security policies, including the requirement for continuous updates to meet evolving threats."

Protect Data acquires all outstanding shares in Reflex Software Ltd through a transaction that was signed and closed on November 1, 2006. Reflex Software Ltd does not conduct any business, but is rather the holding company managing the shares in Reflex Magnetics Ltd and Reflex Software Europe SARL.

The purchase price for Reflex Software Ltd is £12.5 million, payable in cash. An additional earn-out payment of £2.5 million will be due if Reflex Magnetics reaches certain milestones before March 31, 2007.

Using Reflex Magnetics' product Disknet Pro, enterprises and government agencies can control the use of all communication ports on clients, including access to attached peripherals. Such control may be applied to prevent data transfer to USB memory devices, effectively protecting sensitive information from theft or unauthorized distribution within the organization. Additionally, port control can ensure that corporate IT infrastructure cannot be used for illegal distribution of copyrighted content or installation of malicious software.

The acquisition of Reflex Magnetics also provides Pointsec with a wider offering of encryption software solutions through DataVault, a CAPS certified product tailored to the requirements of government agencies in the UK and other Commonwealth countries.

The Protect Data forecast for the full year 2006 – sales and profit during 2006 are expected to increase significantly, compared to 2005 – remains unchanged.

For further information, please contact:

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About Protect Data

Protect Data, through its wholly owned Pointsec subsidiary, is the worldwide de facto standard for mobile device security – with the most customers deployed, highest level of certification and more complete device coverage than any other company. The company is also a leader in the Nordic Digital Identity market, based on products for securing business transactions on the Internet. Protect Data AB was founded in 1988 and is listed on the Stockholm Stock Exchange (PROT) since 1997. The company has operations in 14 countries, and is represented through partners on all continents. For further information, please visit www.protectdata.com or www.pointsec.com.