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Media Contact:
Sabrina Sanchez
Ventana Public Relations
(925) 875-1968
sabrina.sanchez@ventanapr.com

MIMOSA RAISES \$17 MILLION IN MEZZANINE FINANCING LED BY FOCUS VENTURES

New Funds Will Enable Mimosa to Extend Global Reach in Multi-Billion Dollar Market for Next-Generation Content Archiving

Santa Clara, Calif. – May 20, 2008 – Mimosa Systems, a leader in live content archiving solutions, today announced that it has closed \$17 million in mezzanine financing. Focus Ventures led the funding round, joined by current investors August Capital, Clearstone Venture Partners, JAFCO Ventures and Mayfield Fund. Mimosa will use the investment to expand the Mimosa NearPoint™ footprint globally and to continue to capitalize on the multi-billion dollar market opportunity for next-generation content archiving.

The Mimosa NearPoint content archiving solution is delivering real value for hundreds of customers and partners across North America, Europe, Japan, and Asia Pacific. NearPoint addresses critical customer requirements for email and file system archiving, eDiscovery, regulatory compliance, content monitoring, disaster recovery, data protection and storage management in a unified, easy-to-use solution.

According to IDC, the worldwide email archiving applications market grew 48 percent in 2007 over the last year driven by the need for email archiving to satisfy compliance, legal discovery, and storage optimization requirements. Archiving applications are a critical foundation of the legal discovery infrastructure platform market¹, which IDC expects to approach more than \$22 billion in 2011².

"The FRCP changes for electronic discovery compelled corporations to adopt and consistently enforce its records retention practice as a key component of their preparations for the Rule 26(f) conference deadlines," said Vivian Tero, Program Manager, Compliance Infrastructure at IDC.

"More corporations are deploying content archiving applications like Mimosa NearPoint to automate the retention of critical content such as emails and file data, as well as to support their legal hold obligations."

Mimosa Sets the Standard for Next-Generation Content Archiving

Since its inception, Mimosa Systems has demonstrated technology excellence and product superiority with adaptive content archiving solutions that address critical information management requirements. Mimosa has established a leadership position through continuous innovation to deliver the industry's most comprehensive archive platform, along with best-in-class applications for eDiscovery, retention management, regulatory compliance, content monitoring, data protection, disaster recovery and storage optimization in a single solution. Mimosa NearPoint gives enterprises a cost-effective and robust offering to perform intuitive searches, implement

¹ IDC, Worldwide Email Archiving Applications 2008-2012, Doc #212017, May 2008

² IDC, Worldwide Legal Discovery and Litigation Support Infrastructure 2007-2011 Forecast: Legal Matter and Compliance Records Repositories Are the Early Use Cases of the Active Archiving Architecture, Doc #207155, June 2007. (Note: Values include hardware, software, services investments along the EDRM model, spans the Presentation phase).

retention policies and provide data protection and business continuity to minimize risk across email, files and back-up tapes.

“Mimosa has emerged as an industry leader in the multi-billion dollar content archiving market, which is growing exponentially driven by runaway email and information growth and stringent eDiscovery and regulatory compliance mandates that face corporations across the board,” said Steve Bird, general partner of Focus Ventures. “Mimosa has the strategic ingredients for success including a white-hot market opportunity, a next-generation archiving platform that leap-frogs traditional offerings, and the ability to execute on a global scale. With significant customer momentum and an experienced management team, Mimosa is well positioned to lead the content archiving market. We look forward to leveraging our global network of resources to propel Mimosa’s next stage of growth.”

“Having a top-tier VC firm like Focus Ventures leading our mezzanine round is a powerful endorsement that Mimosa has the right mix of superior technology, top management expertise, strong global customer success, and a sustainable vision for the future,” said T.M. Ravi, president and CEO of Mimosa. “The support of Focus Ventures and the continued commitment of our existing investors will be instrumental as we enter the next phase of rapid growth and continued product innovation.”

About Mimosa NearPoint

Mimosa NearPoint addresses critical customer requirements around content archiving, eDiscovery, regulatory compliance, business continuity, and storage optimization in a unified solution. Mimosa NearPoint provides legal search workflow, immediate mailbox and message recovery, disaster recovery, email, instant message and file archiving, and self-service search and access in one solution. By leveraging cost-effective storage and advanced classification rules, NearPoint also optimizes content storage and reduces overall infrastructure costs.

About Mimosa

Mimosa Systems, Inc. delivers next-generation content archiving solutions for information immediacy, discovery, and continuity. Mimosa NearPoint is the industry’s most comprehensive unstructured information management software solution for email, files, and instant messages, enabling archiving, eDiscovery, storage management and recovery in a unified solution. Mimosa is a Microsoft Gold Certified Partner, recognized for its competencies in networking infrastructure solutions, ISV/software solutions, and advanced infrastructure solutions. Mimosa is a privately held company whose investors include August Capital, Clearstone Venture Partners, Focus Ventures, JAFCO Ventures and Mayfield Fund. Mimosa was founded in 2003 and is based in Santa Clara, California, with offices in Germany, the United Kingdom, Japan, China, Australia and India. For more information, see www.MimosaSystems.com.

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Mimosa Systems

3200 Coronado Drive, Santa Clara, California 95054
408.970.9070

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