

Zix Corporation Selected By Magellan Health Services for e-Messaging Protection with Two Year Contract

The nation's largest managed behavioral health organization purchases 7,000 seats of multiple ZixCorp email protection solutions

DALLAS —Oct. 27, 2003 — Zix Corporation (ZixCorp™), (Nasdaq: ZIXI), a global provider of protection, management, and delivery solutions for electronic communications, today announced that Magellan Health Services, the nation's leading managed behavioral health and wellness company, has chosen ZixCorp as its e-messaging protection provider. The two-year contract will enable secure email communication between 7,000 users including licensed mental health professionals, patients, providers, and over 200 business partners to help meet the email safeguard requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Magellan purchased a suite of services including, ZixVPM® (Virtual Private Messenger), ZixPort™, and ZixAuditor®. To help ensure the Protected Health Information (PHI) of its membership remain confidential, ZixCorp's ZixVPM service will enable the company to provide automatic encryption of incoming and outgoing emails based on company policy, including a built-in PHI-content filter. ZixPort will provide custom branding and encrypted messaging functionality to Magellan's existing Web portal. The ZixAuditor assessment service helped the company identify email vulnerabilities prior to implementation and a post-deployment audit will help Magellan assure effectiveness by monitoring ongoing communications.

"We evaluated 15 secure email vendors and physically tested eight. ZixCorp came out on top," said Jerry Garland, chief security officer for Magellan Health Services. "We have been pleased with the expertise and responsiveness of the ZixCorp staff, the service was easy for end users and administrators, and performance was excellent — ZixVPM processed 20,000 encrypted messages in four hours with no problems. Most important for us, ZixCorp services can operate seamlessly with our outside business partners and providers, despite their disparate email infrastructures. Plus, there's no impact to my technical staff. With other vendors I would have had to hire additional personnel just to maintain the system."

In addition to the purchased ZixCorp services, Magellan will provide ZixMail™ desktop email encryption services to its 45,000 physicians and licensed mental health professionals through the HealthyEmail initiative. HealthyEmail is a nonprofit organization created to maximize the

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potential of email use in the healthcare industry. The organization is addressing the increasing problems involving physicians' email communications with patients, hospitals, insurers and other doctors, particularly where sensitive patient information is involved. ZixCorp donated two million licenses of ZixMail to the organization to help every physician in the United States sent secure email to anyone.

"Magellan's open and impartial evaluation process was the perfect test to prove that head-to-head, ZixCorp's best-of-breed solutions are far superior and more cost effective than traditional legacy-based products," said Dennis Heathcote, vice president of marketing and products for ZixCorp. "By selecting our services, Magellan found an easy-to-use email security solution that perfectly fits its needs. In addition, our customers in the healthcare community become instantly interoperable with all of Magellan's locations throughout the country."

About Magellan Health Services

Headquartered in Columbia, Md., Magellan Health Services (OCBB: MGLH), is the country's leading behavioral managed care organization. The company specializes in managed mental health and substance abuse services as well as employee assistance/work-life programs. Its customers include health plans, government agencies and corporations. For more information visit www.magellanhealth.com.

About Zix Corporation

Zix Corporation (ZixCorp™) provides solutions worldwide that protect, manage, and deliver sensitive electronic information. By offering a comprehensive set of services, ZixCorp protects organizations from viruses and spam and provides the management tools needed for Web access control and policy-driven email encryption. ZixCorp also provides care delivery solutions for e-prescribing and e-consulting that enable physicians to leverage technology for better patient care. For more information, visit www.zixcorp.com.

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