

## Palisade Systems and Zix Corporation to Offer Fully Integrated Compliance Solution to Protect Sensitive Data

### Partnership to deliver content monitoring and filtering with email encryption

**DALLAS — September 27, 2006** — Palisade Systems Inc., a leading provider of comprehensive compliance and content monitoring solutions and Zix Corporation (ZixCorp®), (NASDAQ: ZIXI), the leader in hosted services for email encryption, today announced a strategic partnership to add ZixCorp's Email Encryption Services to Palisade's PacketSure content monitoring and filtering solution. Under the terms of the agreement, Palisade will also integrate ZixCorp's powerful HIPPA and GLBA policy inspection technology into the PacketSure solution. This will provide PacketSure a mature technology that has been used for the policy scanning of billions of email messages over the last 5 years.

"By combining our monitoring technology and ZixCorp's encryption service and industry expertise in the healthcare and financial services market we provide a solution that not only protects email messages, but other communication methods, including Instant Messaging, Web-mail, and FTP," said Kurt Shedenhelm, president and CEO of Palisade Systems. "Our combined solution provides a comprehensive content compliance protection solution on all methods of communication. While competing vendors provide pieces of an overall solution, Palisade and ZixCorp deliver a completely integrated solution."

Palisade Systems will now provide advanced content control with early identification of violations, automatic email encryption, centralized policy enforcement and reporting. As a result of this agreement Palisade will also deliver boundary-based email encryption for customers who need to protect sensitive information as it travels over the Internet. With this solution, email can be automatically encrypted based on content or manually encrypted by the end user. By enabling automatic enforcement of corporate policies, organizations can help to control the flow of information in and out of the corporate network and keep sensitive information secure.

"This agreement broadens ZixCorp's reach into the content monitoring and filtering space as we continue to expand our channel distribution capabilities," said Nigel Johnson, vice president of business development and product management for ZixCorp. "By joining our

Email Encryption Service, Palisade customers will now be able to connect to all ZixCorp customers including four of the five federal banking regulators and the one in eight hospitals that use ZixCorp today.”

Key benefits of Palisade PacketSure powered by ZixCorp:

1. A regulatory safety net for organizations bound by legislation such as HIPAA or GLBA
2. An integrated solution from respected leaders in the healthcare and financial services markets
3. Compliance monitoring and control across all communication methods used by employees protecting against inadvertent leaks of sensitive data
4. Automatic email encryption without any user interaction
5. Flexible send-to-anyone email encryption, including the use of TLS, S/MIME, OpenPGP, direct to the inbox “push” and web-based “pull” technologies
6. Business controls without impeding business flow

#### **About Palisade Systems, Inc.**

Founded in 1996, Palisade Systems, Inc., is a leading provider of enterprise content compliance security and data protection solutions with over 500 customers across North America and Europe. Palisade security appliances help organizations proactively secure intellectual property and private client information from leaking outside the network, define and enforce access to internal network resources, and enforce compliance with federal privacy and industry security regulations. Palisade Systems customers include prominent clients in healthcare, financial services, insurance industries, and universities. For more information, please visit [www.palisadesys.com](http://www.palisadesys.com) or contact Palisade’s sales department at 1.888.824.0720.

#### **About Zix Corporation**

ZixCorp is the leading provider of hosted email encryption and e-prescribing services. ZixCorp's hosted Email Encryption Service provides an easy and cost-effective way to ensure customer privacy and regulatory compliance for corporate email. Its PocketScript® e-prescribing service reduces costs and improves patient care by automating the prescription process between payors, doctors, and pharmacies. For more information, visit [www.zixcorp.com](http://www.zixcorp.com).

###

#### **Palisade Systems Contact:**

David Splivalo  
Freestyle Public Relations  
On behalf of Palisade Systems  
703.373.3566  
david@freestylepr.com

**ZixCorp Contacts:**

Public Relations: Farrah Corley (214) 370-2175, [publicrelations@zixcorp.com](mailto:publicrelations@zixcorp.com)  
Investor Relations: Peter Wilensky (214) 515-7357, [invest@zixcorp.com](mailto:invest@zixcorp.com)