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Initiate Systems Closes New Round of Funding

CHICAGO (June 26, 2008) – [Initiate Systems, Inc.](#), a leader in master data management (MDM) solutions, announced today completion of a \$26 million financing. Paladin Capital Group led the round, which also included participation from new investors Dunrath Capital, EMC Corporation (NYSE:EMC) and Informatica Corporation (NASDAQ:INFA) as well as existing investors, Sigma Partners, Apex Venture Partners and First Analysis Group.

“Investors have been very enthusiastic about participating in this round of funding,” said [Bill Conroy](#), Initiate’s president and CEO. “The influence of these investors is a strategic advantage, as we capitalize on new opportunities and extend our leadership in MDM. This funding empowers us in our mission: Helping customers unlock the value of their data assets.”

Securing these recent investments is the latest success in a continuing series of achievements for Initiate. In 2007, the company increased its revenue and customer base by approximately 50 percent over 2006. In response to this rapid growth, Initiate added more than 85 employees last year. *Crain’s Chicago Business* recognized Initiate as one of Chicago’s fastest growing companies in 2007, and *Intelligent Enterprise* magazine included Initiate as a “company to watch” among its 2008 Editors’ Choice Awards. The company’s Initiate Master Data Service™ software received the 2007 Product of the Year Award in the category of data integration from *SearchDataManagement*.

With Initiate® software, organizations can identify data related to a single person, place, or thing – and securely share that information – using a highly accurate, scalable, and rapidly deployed solution. Initiate solutions are used around the world in a wide range of industries, including banking, hospitality, insurance, retail, retail pharmacy and healthcare organizations, as well as by state, provincial and federal government agencies.

Paladin Capital Group, a Washington, D.C. based private equity firm with deep understanding of the federal government, is focused on investing in businesses with products and services that address homeland security issues, an important growth sector for Initiate.

“Initiate has strong leadership and high-performing solutions that address critical requirements for data accuracy and data integration,” said Niloo Howe, managing director, Paladin Capital Group. “We are confident about Initiate’s prospects for continued success and look forward to supporting the company as it continues to grow.”

“This fundraising strengthens our balance sheet and allows us to continue expanding our market position while building a predictable, profitable business,” said Dan Kossmann, chief financial officer, Initiate Systems, Inc.

About Paladin Capital Group

Headquartered in Washington D.C., Paladin Capital Group is a premier private equity firm that provides expansion capital for growing companies. Paladin has over \$800 million under management and operates three funds with over thirty portfolio companies. Paladin's Fund III invests in enterprises whose principal business centers on products and services that address homeland security issues and needs. Importantly, the fund's leadership comprises individuals with a proven track record of financial expertise, national security experience and specialized technical competence. For more information, see www.paladincapgroup.com.

About Initiate Systems

[Initiate Systems, Inc.](http://www.InitiateSystems.com) enables organizations to strategically leverage and share critical data assets. Its master data management (MDM) [software and experience](#) as an information exchange leader provide organizations with complete, accurate and real-time views of data spread across multiple systems or databases, even outside the firewall. This allows companies to unlock the value of their data assets for competitive advantages or operational improvements. Initiate Systems operates globally through its subsidiaries, with corporate headquarters in Chicago and offices across the U.S., and Toronto, London and Sydney. For more information, visit www.InitiateSystems.com.

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