

# PRESS RELEASE

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**FOR IMMEDIATE RELEASE**

## **Aladdin Knowledge Systems Completes Merger with Vector Capital Affiliate**

*Aladdin shareholders to receive \$11.50 per share in cash, reflecting a value of \$160 million*

**TEL AVIV, ISRAEL AND SAN FRANCISCO, CA – March 24, 2009** – Aladdin Knowledge Systems Ltd. (NASDAQ: ALDN) today announced that it has completed its previously announced merger with an investor group led by Vector Capital, a leading private equity firm specializing in the technology industry. The merger was approved by a majority of Aladdin's shareholders at an Extraordinary General Meeting held on February 20, 2009. Under the terms of the merger, Aladdin shareholders will receive \$11.50 per share in cash for each ordinary share they hold.

Commenting on the announcement, David Fishman, Partner at Vector Capital, said, "We are thrilled that we have successfully brought this transaction to completion. It is now time for all of us to focus on Aladdin's future, leverage the Company's strong products and take advantage of the combination with SafeNet's business to create growth opportunities. We remain incredibly impressed with the quality of Aladdin's management and employees and look forward to working together to build one of the great information security companies."

"We are very excited to close this transaction and begin to move forward on the integration with SafeNet," said Aviram Shemer, CFO at Aladdin. "Our customers will benefit from the strength of the combined companies as we continue to provide our award-winning, innovative security solutions across the globe. Together with our employees, we remain fully committed to the long-term success of Aladdin and SafeNet."

Mr. Shemer continued: "I would especially like to thank Yanki Margalit, our Founder and outgoing CEO and Chairman of the Board. Aladdin's success is a tribute to his vision and his dedication to our customers, shareholders and employees."

In connection with the closing, trading of Aladdin's shares on the NASDAQ Global Market and Tel Aviv Stock Exchange will cease March 24<sup>th</sup> and Aladdin will de-list the shares from both exchanges.

Shareholders who possess Aladdin share certificates will receive a letter of transmittal with detailed instructions, along with a tax declaration form, from the appointed paying agent, Bank of New York Mellon, regarding the surrender of their certificates for the merger consideration. For shares held in street name by a broker, bank or other nominee, the broker, bank or other nominee will handle the exchange of shares for the shareholders and will provide them with any relevant instructions for effecting the exchange and providing the tax declaration form.

### **About Aladdin**

Aladdin Knowledge Systems (NASDAQ: ALDN) is an information security leader with offices in 15 countries, a worldwide network of channel partners, and numerous awards for innovation. Aladdin eToken is the world's #1 USB-based authentication solution, offering identity and access management tools that protect sensitive data. Aladdin SafeWord two-factor authentication technology protects companies' important information assets and applications. Aladdin HASP SRM boosts growth for software developers and publishers through strong anti-piracy protection, IP protection, and secure licensing and product activation. Aladdin eSafe delivers real-time intelligent Web gateway security that helps protect data and networks, improves productivity, and enables compliance. Visit [www.Aladdin.com](http://www.Aladdin.com).

### **About Vector Capital**

Vector Capital is a leading private equity firm specializing in spinouts, buyouts and recapitalizations of established technology businesses. Vector identifies and pursues these complex investments in both the private and public markets. Vector actively partners with management teams to devise and execute new financial and business strategies that materially improve the competitive standing of these businesses and enhance their value for employees, customers and shareholders. Among Vector's notable investments are LANDesk Software, Savi Technology, SafeNet, Corel Corporation (Nasdaq: CREL), Printronix, Register.com, Tripos, WinZip and Watchguard Technologies. For more information, visit [www.vectorcapital.com](http://www.vectorcapital.com).

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