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SuperPro USB Issue – Update

Background

SafeNet has recently received several incorrectly responding USB keys from a few customers. All of the keys showed similar failure symptoms – the key works initially, but after a few hours of use, it is no longer recognized. Removing and re-inserting the key allows it to be recognized, enabling the customer's application to function once again.

order to ensure that we understand the root cause of the issue, we have given the investigation of this issue top priority.

Investigation Update

As mentioned above, there are ongoing efforts to determine the root cause of the Sentinel SuperPro token issue. In support of these efforts, Quality Assurance and Engineering Services have analyzed product quality data amassed since 2007 on over four million devices. As suggested above, the data indicates the failure rate to be very low and limited to a specific manufacturing period. There are no unusual production yields or field failure trends visible in the data outside the specific manufacturing period. Also, a review of production yields and field failure rates since April 2008 have revealed no corresponding issues or trends. During this period, SafeNet shipped 2,300,000 tokens worldwide.

Currently, we believe that our production processes and testing provides a robust product. If the investigation identifies any gaps in our production processes or testing, we will inform you of the findings and work to implement appropriate corrective actions quickly. At SafeNet, our quality assurance objective is to not only correct an issue, but also to prevent similar issues going forward. Therefore, any corrective actions will encompass this larger quality focus.

Sincerely,

Steve Sappington

VP - Quality Assurance
SafeNet Inc.