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Vindicia to Fuel Continued Growth with \$7.5 Million in Series D Financing

*ONSET Ventures Leads Round Including Existing Investors
Bertelsmann Digital Media Investments (BDMI), DCM and Leader Ventures*

REDWOOD CITY, Calif. - July 15, 2009 - Vindicia, a leading provider of on-demand payment management services, today announced it has secured \$7.5 million in series D financing, bringing the total amount raised to over \$21 million. New investor ONSET Ventures led the financing in partnership with existing investors Bertelsmann Digital Media Investments (BDMI) -- a wholly owned subsidiary of Bertelsmann AG, a leading international media company -- DCM and Leader Ventures. The company also announced that ONSET Ventures General Partner David Lane and BDMI Principal Keith Titan have joined its board of directors. Titan offers deep expertise in digital media, while Lane brings to the board a track record for success in developing emerging IT infrastructure companies.

Vindicia will use this latest infusion of capital to hire new talent across the organization and expand its market presence, building on the success it has established in providing payment management services to online merchants via a software-as-a-service (SaaS) offering that combines a subscription billing solution with key fraud management capabilities.

“Online merchants have come to realize that a subscription payment management solution is more than a back-end operational issue, it is a core business imperative that goes directly to the bottom line – for example increasing customer retention rates by up to ten percent,” said Gene Hoffman, Chairman and CEO of Vindicia. “The additional funding announced today will help us to continue to scale our services to meet the demand for this solution while achieving profitability. The expertise and experience offered by David and Keith will prove valuable assets as well.”

Vindicia has established a track record of success across diverse online markets. The company counts market leaders including Symantec, Intuit, Atari/Cryptic Studios and Outspark among its customers, for whom it processes over 200,000 transactions a day, projecting over 73 million total in calendar year 2009. Vindicia is also in its fourth year of compliance with the critical PCI security standard and SAS 70 auditing standard.

“Gene and his team understand that online merchants require a payment infrastructure solution developed specifically to leverage the inherent advantages of digital media and services,” said Lane. “During due diligence, my firm confirmed its belief that Vindicia is the clear market leader. With a strong business model, significant revenues, a long list of marquee customers including market leaders in software, gaming, dating and online content, and a top notch management team, the additional capital announced today positions Vindicia to continue its fast growth.”

About Bertelsmann Digital Media Investments (BDMI)

Bertelsmann Digital Media Investments (BDMI) is a strategic venture investor focused on innovative digital media technologies, products and distribution channels across the globe. BDMI is a wholly owned subsidiary of Bertelsmann AG, a leading international media company with over \$22 billion in revenues and over 100,000 employees across more than 50 countries. For more information, visit: www.bdmifund.com.

Bertelsmann AG is an international media company encompassing television (RTL Group), book publishing (Random House), magazine publishing (Gruner + Jahr), media services (Arvato), and media clubs (Direct Group) in more than 50 countries. Bertelsmann's claim is to inspire people around the world with first-class media and communications offerings – entertainment, information and services – and occupy leading positions in its respective markets. The foundation of Bertelsmann's success is a corporate culture based on partnership, entrepreneurial spirit, creativity, and corporate responsibility. The company strives to bring creative new ideas to market and create value. For more information, visit: www.bertelsmann.com.

About DCM

DCM is an early stage venture capital firm supporting entrepreneurs building world-class technology companies. The firm's partners manage US\$1.6 billion and have funded leading technology companies including 2Wire, 51job (Nasdaq: JOBS), @Motion (Openwave), About.com (The New York Times Co.), All About (Jasdaq: 2454), Arroyo (Cisco), Abound Solar, Clearwire (Nasdaq: CLWR), Dang Dang, eDreams (TA), Foundry Networks (Nasdaq: FDRY), HireRight (acquired by USIS), Internap (Nasdaq: INAP), IPivot (Intel), Jaspersoft, JCI (Nasdaq Japan - Hercules: 9424), Neopath Networks (Cisco), Neutral Tandem (Nasdaq: TNDM), nQuire (Siebel), OPI, PayCycle, PGP Corporation, Recourse Technologies (Symantec), RockYou, Scigineer, Sigmatel (Nasdaq: SGTL), SMIC (NYSE: SMI), Sling Media (EchoStar), Ustream, VancelInfo (NYSE: VIT) and Vimicro (Nasdaq: VIMC). DCM offers hands-on operational guidance and access to an extensive network of resources, including close relationships with many of the Pacific Rim's leading companies and investors. For more information, please visit DCM's website at www.dcm.com.

About Leader Ventures

Leader Ventures is a private investment firm providing debt and equity financing to a diversified portfolio of private and public companies. With offices in San Francisco and Menlo Park, the firm invests primarily in the U.S. and employs a variety of loan and equity structures to invest in companies at different developmental stages, across diverse industry segments. For more information, please visit www.leadvventures.com.

About ONSET Ventures

ONSET Ventures specializes in providing an ideal mix of start-up, follow-on, and intellectual capital to entrepreneurs and early-stage technology ventures, to help transform world-class ideas into sustainable and valuable businesses, through a process of "venture craftsmanship." The firm has backed over 100 companies since 1984 and now has more than \$1 billion under management. ONSET's venture craftsmanship, refined over 24 years, includes a highly-optimized tool set for risk and capital management, and a shirt-sleeves style of active collaboration with entrepreneurs that leverages the firm's substantial operating experience. That collaboration frequently begins before the closing of any financing, and typically continues throughout the life of

the venture. This approach, which has become the hallmark of the firm, has resulted in a crafting of ventures that have consistently met their operational and financing milestones. In addition, it has resulted in a franchise that not only brings successful, serial entrepreneurs back to ONSET Ventures time and again, but also attracts investors who want the increasingly rare opportunity to participate in very early stage venture investing. ONSET Ventures focuses exclusively on information and medical technology-based start-ups, and has a long history of successful ventures in each of these sectors.

About Vindicia

Vindicia offers an integrated, on-demand billing and fraud management solution for online merchants. Vindicia CashBox is a best-of-breed billing system for creating and managing recurring and one-time payments and helps merchants improve customer retention and maximize profit. Vindicia ChargeGuard provides automated fraud screening and chargeback management services that enable merchants to recover lost revenue. A PCI Service Provider Level 1 company and SAS 70 Type II audited, Vindicia is a key payment management resource for some of the best-known brands on the Internet. For more information, visit www.vindicia.com.

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