

Magic Quadrant for Enterprise Governance, Risk and Compliance Platforms

12 August 2009

Gartner

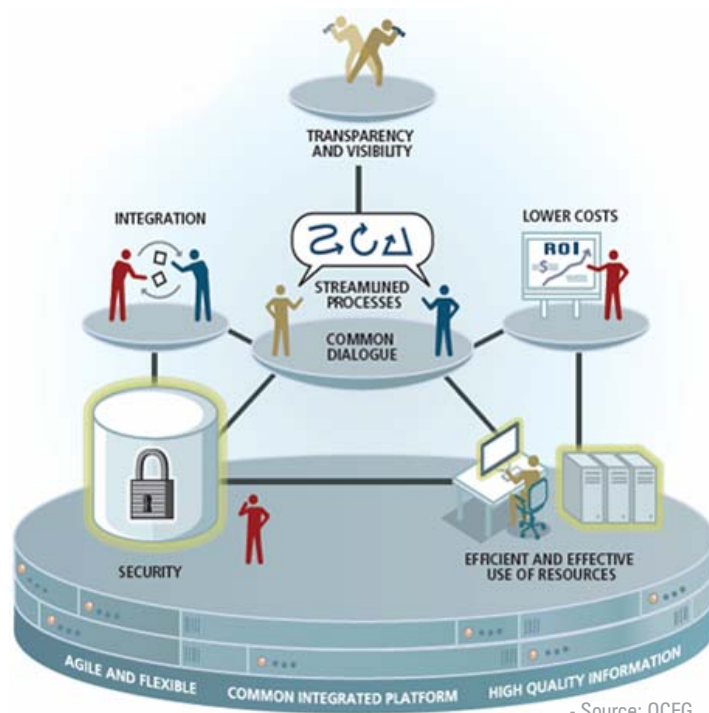
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METRICSTREAM POSITIONED IN THE LEADERS QUADRANT IN EGRM PLATFORMS MAGIC QUADRANT

August 18, 2009 | Palo Alto, California - MetricStream, Inc. today announced that it has been positioned in the Leaders Quadrant of Gartner's recently released "Magic Quadrant for Enterprise Governance, Risk and Compliance (GRC) Platforms"¹ research report.

"We consider our positioning in the "Leaders" quadrant by Gartner as validation of our commitment and ability to enable customers to adopt an integrated, enterprise-wide approach to GRC. Consolidating programs for Internal Audit, Risk Management, Regulatory Compliance, Policy & Ethics, Financial Controls and IT Governance is critical for large corporations as it unlocks the power of collaboration and information sharing resulting in significant improvement in business performance," said Shellye Archambeau, CEO of MetricStream. "MetricStream continues to innovate and deliver a platform that is highly configurable to addressing specific customer needs."

Most industries face GRC challenges that are unique to their business operations. Whether it is Risk Management, Audits, Compliance, Policy Management or Quality Management - different industries have certain common requirements and some requirements that are specific to the sector. For example, energy & utility companies have to manage federal and state requirements including FERC & NERC compliance; global banks & financial service providers have specific requirements around operational risk, Basel II, loss management, RCSA & KRIs; insurance companies face Solvency, HIPAA compliance and other federal & state regulations; life sciences & healthcare companies have mandates such as FDA compliance, patient safety laws; retail, food & beverage companies have to comply with food safety and HACCP compliance requirements. All these are in addition to internal business processes around risk, internal audit, IT, corporate policies, ethics and quality management. Bringing these elements of GRC together and integrating them with performance management is critical and yet challenging for enterprises.



"We have built a strong reputation for working with global corporations and delivering GRC solutions with collaboration, workflows and reporting tailored to their environments," says Gaurav Kapoor, CFO and General Manager at MetricStream. "MetricStream understands exactly how to address these varying needs by providing highly packaged solutions yet adapting to specific industry requirements with the right software functionality as well as community and content from its ComplianceOnline.com portal. That continues to be our key differentiator and is well-aligned with the market demand."

Having deep experience in quality management solutions (QMS) with a number of successful implementations for corrective actions, supplier quality, defect tracking and failure investigation MetricStream uniquely understands the GRC environment and requirements of companies with multi-site manufacturing operations. Managing areas such as supply chain risks, Environment, Health & Safety (EHS), operational compliance and quality & safety audits require a strong process orientation, domain expertise and a scalable software platform that MetricStream provides.

1. Gartner, Inc. "Magic Quadrant for Enterprise Governance, Risk and Compliance Platforms" by French Caldwell, Tom Eid and Carsten Casper, August 12, 2009

MetricStream Positioned in the Leaders Quadrant in Enterprise Governance, Risk and Compliance Platforms Magic Quadrant

Evaluation based on Completeness of Vision and Ability to Execute

August 18, 2009 | Palo Alto, California – MetricStream, Inc.

ABOUT METRICSTREAM

MetricStream is a market leader in Enterprise-wide Governance, Risk, Compliance (GRC) and Quality Solutions for global corporations. MetricStream solutions are used by leading corporations such as Pfizer, Philips, NASDAQ, UBS, SanDisk, BP, Subway, Fairchild Semiconductor, Hitachi and TaylorMade-Adidas Golf in diverse industries such as Pharmaceuticals, Medical Devices, Automotive, Food, High Tech Manufacturing, Energy and Financial Services to manage their quality processes, regulatory and industry-mandated compliance and corporate governance initiatives, as well as by over a million compliance professionals worldwide via the www.ComplianceOnline.com portal. MetricStream is headquartered in Palo Alto, California and can be reached at www.metricstream.com.

ABOUT THE MAGIC QUADRANT

The Magic Quadrant is copyrighted 2009 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

OTHER ANALYST REPORTS

Gartner Cool Vendor



MetricStream was named a "Cool Vendor" in the Gartner report titled "Cool Vendors in Compliance and Risk Management, 2008". The research report seeks to identify "products that offer real business benefits in performance, information quality and continuity of service".

The report notes that *"MetricStream's user interface and workflow are superior to most of its competitors."*

GRC Landscape



MetricStream was ranked in the "sweet spot" category assigned to vendors that "Demonstrated high expertise through customer deployment, reference quality, and heritage" in its recent report "The Governance, Risk Management, and Compliance (GRC) Landscape, Part 2: Software's Integral Role in GRC Automation" written by John Hagerty, Koppel Verma and Dennis Gaughan.

"As companies' GRC approaches mature, software plays an essential role in managing-not just reacting to-risk and compliance concerns in all corners of the enterprise. While many buyers still evaluate GRC software tactically (and there may be solid reason to do so), there is ample evidence the elusive GRC platform approach is starting to take hold with forward-looking businesses in many industries."

Forrester Wave



MetricStream has been cited as a 'Leader' in the recent published report Forrester Wave: Enterprise Governance, Risk and Compliance Platforms, Q3 2009. Forrester provided the following specific comments regarding MetricStream:

"MetricStream targets a wide range of GRC professionals, recently winning deals on the strength of its new audit management capabilities."

Aberdeen Group



A recent Aberdeen report measures benefits of improving operational performance and recognized a MetricStream customer for implementing best practices to achieve Best-in-Class performance.

An Analyst Insight titled "Visibility and Value: The Evolution of Operational Compliance and Quality into Enterprise Risk Management" recognized the MetricStream solution as a leading framework for meeting regulatory requirements, incorporating internal policies and quality controls to provide a cleaner picture of an organizations overall risk level.

OTHER RECOGNITIONS

Industry Leader



MetricStream has entered into a strategic partnership with The Institute of Internal Auditors (IIA) as a part of the 2009 Industry Leader program. Through this partnership, MetricStream looks to collaborate with internal auditors around the world and actively support the internal audit profession.

Silicon Valley Leadership Group



MetricStream CEO, Shellye Archambeau, serves on the Board of Directors of the Silicon Valley Leadership Group (SVLG) as the champion of public policy issues related to the Sarbanes-Oxley Act. SVLG, which comprises 235 Silicon Valley employers representing 1 out of every 4 employees in Silicon Valley, is organized to involve principal officers and senior managers of member companies in a cooperative effort with local, regional, state and federal government officials to address major public policy issues affecting the economic health and quality of life in Silicon Valley.

OCEG



The Open Compliance and Ethics Group (OCEG.org) named MetricStream as a Charter Member to its Technology Council which was formed to address the strategic, operational and technical issues that professionals face when applying information technology (IT) to governance, risk, compliance (GRC) and ethics management.

2009 Supply & Demand Chain Executive 100



MetricStream was named to the 2009 Supply & Demand Chain Executive 100 in recognition of its innovative solution for Supply Chain Governance. The 2009 Supply & Demand Chain Executive 100 recognizes supply chain solution and service providers that are helping customers and clients both respond to the downturn and, more importantly, position themselves for growth ahead.

Deloitte's Technology Fast 50 Program for Silicon Valley

Deloitte.

MetricStream has been named to Deloitte's Technology Fast 50 Program for Silicon Valley Software and Information Technology (IT) companies. Silicon Valley Technology Fast 50 program is co-presented by Deloitte, Silicon Valley Bank, Korn/Ferry International, Cooley Godward Kronish LLP, Cornish & Carey Client Solutions, and ABD Insurance and Financial Services - A Wells Fargo Company. Rankings are based on the percentage revenue growth over five years.



MetricStream is an active member of industry associations such as IIA & PRMIA, and is frequently invited to speak at industry conference and seminars as well as to publish articles and papers in industry media and journals.

MetricStream

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