



TeleSoft

NEWS

TELECOM DATACOM INTERNET

Top photo: MP3 player with SigmaTel components

A WORD FROM THE FIRM

We are delighted to announce three additional investments to the TeleSoft portfolio: Matrix Semiconductor with Benchmark, Sierra Design Automation with Anthelion, and Xambala with MDV.

Matrix is a fabless 3D memory company targeting the market for prerecorded digital content. Sierra Design is developing EDA solutions to reduce the turnaround time for semiconductor designs. Xambala is developing processors for security applications.

SECOND QUARTER 2003

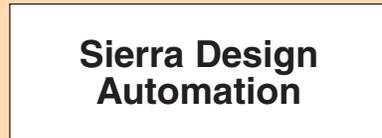
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In addition, congratulations to Ikanos Communications, which closed a \$30 million follow-up round to support volume shipments of its broadband access components. Ikanos investors include Greylock, Sequoia, and Walden.

The current environment continues to reinforce how difficult and exciting it is to build high quality, new companies. We remain focused on opportunities in the information technology and communications industries, which appear to be going through a stabilization phase and are fundamental to the overall

global economy. The unfortunate conflict in Iraq illustrated the compelling functionality of technologies like satellite communications, video reporting, GPS, wireless broadband access, etc. We continue to work diligently to support our existing investments and will continue to invest in new companies that are well positioned for the inevitable next up-cycle. These companies will require strong management teams, a clear market focus, and conservative cash management to survive the next few years.

Please mark your calendars for the TeleSoft Annual Ecosystem Meeting on October 19–21 at the Ritz-Carlton, Half-Moon Bay in California. Please note the final date has been changed from September to October.

Arjun Gupta

Save the Date

OCTOBER 19–21
TeleSoft's Annual Ecosystem Meeting
Ritz-Carlton—Half Moon Bay

General Conference
October 20

From the Front Lines

Automating the Data Center

As businesses' dependence on information technology (IT) as a competitive asset has increased, so has the complexity of managing these systems. In large distributed organizations, the increasing complexity threatens to reach a level beyond system administrators' ability to manually manage and secure. As a result, adaptation and deployment of new services will take more time, risk, and cost. This issue of From the Front Lines looks at next-generation data center management solutions, currently referred to as managed, autonomic, utility, or on-demand computing.

What's in a Name?

The concepts and technology for utility, service-centric, or on-demand computing and automation have been emerging over the last several years. They represent tactics to address the limited and rising cost of IT personnel, plus the need for service provisioning flexibility. Several technologies such as virtualization, provisioning, policy management, service management, and automation are now being combined into strategic frameworks to describe the next generation of data center management. Recent announcements and acquisitions by leading IT solution providers indicate that we are well into the strategic positioning phase for who will emerge as a leader in automating the data center. IBM, Hewlett-Packard, and Sun Microsystems are

in broad agreement on the opportunity in data center management. However, they are not in agreement on what to call the next generation of solutions.

IBM is using "autonomic computing" to describe IT systems that are self-configuring, self-healing, self-optimizing, and self-protecting. Autonomic computing is an approach to self-managed computing systems with a minimum of human interference. IBM derived the term from the human body's autonomic nervous system, which controls key functions without conscious awareness or involvement.

Hewlett-Packard is using "utility data center" (UDC) to describe how to manage the creation, deletion,

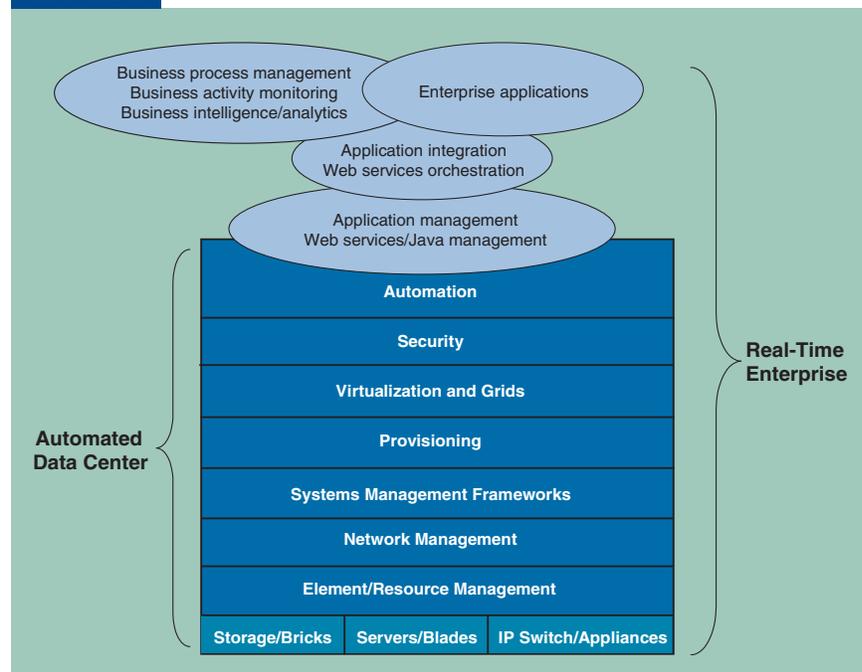
and monitoring of server farms; measure resource usage; and provision and automate storage backup. UDC's goal is to allow for the fast and efficient provisioning of business services and runs virtual IT environments as a highly automated service.

Sun's N1 architecture describes a control plane that can provision, compute, store, and network resources on the fly. As demand for a service changes, N1 will automatically and dynamically map and re-map the service onto the virtualized pool of resources that it manages.

Other vendors are also beginning to position for automating part or all of data center resources.

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FIGURE 1 THE REAL-TIME ENTERPRISE ECOSYSTEM



SOURCE: TELESOFT PARTNERS

From the Front Lines

Automating the Data Center

Dell Computer has announced its dynamic computing architecture (DCA) initiative for monitoring, managing, and automating the data center. By extending and building on its OpenManage software environment, Dell is targeting the management of disaggregated applications and hardware architectures.

Veritas is also extending its reach and positioning itself as a player beyond the storage management space. Its acquisitions of Jareva (resource management and virtualization) and Precise (application performance management) move Veritas toward the data center automation space with the ability to dynamically adapt IT systems to changing business metrics.

Computer Associates' Unicenter management environment contains elements to dynamically provision server and storage resources according to a utility model.

Creating a Real-Time Enterprise

All of the above efforts focus on the efficient management of a pool of resources (virtualization of servers, storage, and network elements) where monitoring, provisioning, changes, security, and recovery occur dynamically with a minimum of administrator intervention. The recent interest in data center automation is being driven by the tightness of IT budgets, the proliferation of server and storage elements (that will only increase with the adoption

FIGURE 2 AUTOMATED DATA CENTER BENEFITS

AUTOMATED DATA CENTER BENEFITS

- Eases outsourcing (creates structure for metered usage).
- Improves data sharing through the implementation of standards, consistent interfaces, and heterogeneous environments.
- Rebalances servers on the fly to support workload surges or priority jobs.
- Enables a holistic security view across networking, server, and storage environments.
- Saves money through better utilization of resources and increased efficiency of IT administrators.
- Improves business continuity through the reduction of administrator intervention and the establishment of consistent operational practices.
- Enables the faster implementation of new services and resource changes.
- Creates a scalable IT infrastructure.
- Supports an always-on Internet infrastructure.

REAL-TIME ENTERPRISE BENEFITS

- Maintains consistent service level objectives in dynamic business environments.
- Manages IT in business-level terminology and increases business managers' operations visibility (e.g. adjust pricing, manage inventory and supply chains).
- Accelerates decision making with real-time information.

of server blades and storage bricks), the maturation of virtualization and automation technologies, plus the integration of the Web and business services.

The Web and XML technologies are shifting application management from static and monolithic to dynamic and distributed. It can be argued that without a fundamental change in the way IT is operated to support dynamic and dispersed operations, the ability to quickly adapt and deploy new services will be impaired resulting in higher complexity and cost.

Layering business process management and application management on top of automated data center operations is a step toward creating "real-time" enterprises that shift the focus from infrastructure management to business service delivery (see figure 1). A real-time enterprise dynamically adjusts to customer demand and supplier changes. It is targeted at giving business managers a real-time view of operations and more tightly aligning business processes with business objectives.

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From the Front Lines

Automating the Data Center

Expanding the view of the automated data center is reasonable as business processes, services, and applications become the trigger for automated IT resources. In addition, it reflects the recent moves of several of the emerging players into the application management (Veritas/Precise) and business process management segments. Unfortunately, the expanded view also clouds the clarity of the value proposition that already encompasses: systems management frameworks, Web services, grid computing, element management, network management, workload management, connectivity fabrics, server blades, and storage bricks.

Market Dynamics

While many vendors are already positioning themselves to benefit from these initiatives (see figure 2), the realization of the truly auto-

ated and virtual IT environments will take many years to put in place. In addition, it will take time for most business and IT managers to get comfortable with automation and virtualization technologies.

According to IDC, early adoption will likely be centered around specific sets of business problems, such as server consolidation or test and development infrastructure. As managers begin seeing improvements in IT performance metrics (see figure 3), then a broader adoption of next-generation data center management solutions should occur across industry, application, and company boundaries.

As customer demand for data center automation inches forward, expect vendor announcements to occur on a more rapid pace due to changing competitive dynamics. As blade servers and storage bricks are added on an incremental basis re-

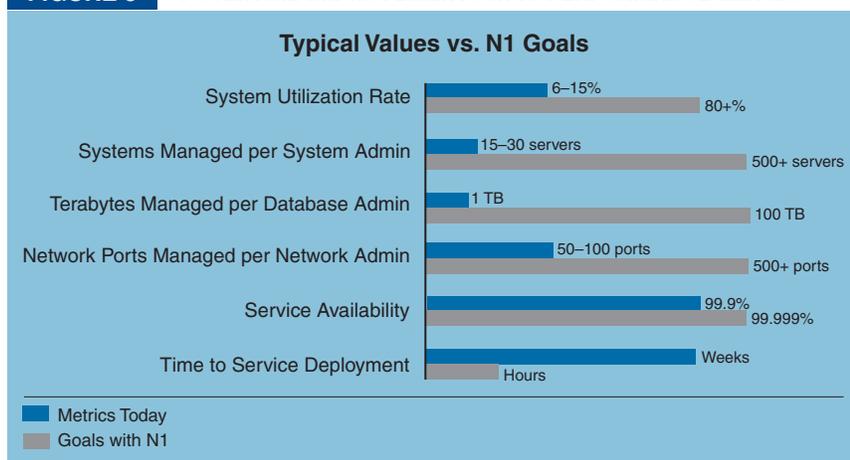
placing higher cost pedestal or rack systems, system vendors will turn to software solutions and services to support revenue growth.

As virtual heterogeneous IT infrastructures emerge, applications will become isolated from the underlying systems and the value of operating systems decreases. Hence, companies will look to move up the software stack and offer value-added solutions. In addition, since automated data center and real-time enterprise solutions address a wide range of functions, more and more former partners will end up intruding on each others' territories. Early positioning and strategies will be defensive responses to the encroachment, while larger players will be proactive in filling in holes in their solutions.

Shaking Up the Ecosystem

The near-term industry effect of automating data center operations will most likely be seen through changes in the management landscape through acquisitions, rather than widespread enterprise benefits. The enterprise management space has already seen a number of changes over that last few years (see figure 4). The primary acquirers are likely to be the established systems management framework vendors: HP Openview, IBM Tivoli, BMC Patrol, and CA Unicenter. These platforms are established at corporate

FIGURE 3 POTENTIAL IMPROVEMENTS IN IT PERFORMANCE METRICS



SOURCE: SUN MICROSYSTEMS

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From the Front Lines

Automating the Data Center

enterprise accounts, but must adapt the dynamic and distributed operations management as well as management of a mixed pool of servers, storage, and networking elements.

Sun and Veritas are also acquiring many of the elements to offer a

next-generation data center management solution. The potential exists for a new player to emerge and take advantage of the change in applications and data center architectures, but it will have to convince IT managers that the established

players cannot adequately adapt to the new environment. Hence the management space is bound for some disruption, but out of the chaos also will spring opportunities—if only we could agree what to call it.

FIGURE 4 SELECTED ACQUISITION ACTIVITY IN DATA CENTER SOLUTIONS

| Announce Date | Buyer | Seller | Seller Description | Equity Price (M) |
|---------------|------------------------|----------------------------|---|------------------|
| 3/25/03 | BMC Software | IT Masters | developer of systems management tools | \$42 |
| 9/22/02 | BMC Software | Remedy (Peregrine Systems) | help desk and service contact software | \$350 |
| 2/5/03 | Computer Associates | Netreon | developer of software for designing SANs | NA |
| 4/15/03 | EMC | Astrum | storage management software company | NA |
| 9/25/02 | EMC | Prisa | storage software management | \$20 |
| 7/16/02 | FalconStor | IP Metrics | network storage and IP connectivity | NA |
| 4/9/02 | Fujitsu Software Group | Vixel's SAN Insite unit | data storage management | \$10 |
| 5/3/02 | Hewlett Packard | Compaq (Versastor) | storage virtualization | NM |
| 7/25/01 | Hewlett Packard | StorageApps | storage virtualization, replication | \$350 |
| 11/4/02 | IBM | Tarian | enterprise content management | NA |
| 9/13/02 | IBM | Holosofx | integration, business management software | NA |
| 8/29/02 | IBM | TrelliSoft | storage management software | NA |
| 5/14/03 | IBM | Think Dynamics | virtualization and automation software | NA |
| 10/31/02 | IBM | Access360 | security provisioning | NA |
| 10/21/02 | Progress Software | eXcelon | Integration software | \$24 |
| 10/23/02 | Quest | Sitraka | application server performance management | \$55 |
| 10/18/02 | Redhat | NOCpulse | server monitoring software | NA |
| 11/13/02 | Sun Microsystems | TerraSpring | infrastructure automation software | \$35 |
| 9/19/02 | Sun Microsystems | Pirus Networks | data storage switching, virtualization | \$160 |
| 4/2/01 | Sun Microsystems | Highground | storage resource management | \$400 |
| 9/18/02 | Tibco | Praja | business activity monitor | NA |
| 12/19/02 | Veritas | Jareva Solutions | provides automated server provisioning | \$62 |
| 12/19/02 | Veritas | Precise Software Solutions | application performance management | \$537 |
| 11/7/02 | Veritas | NTP Software | storage reporting and analysis | NA |
| 5/5/03 | Mercury Interactive | Performant | J2EE, application performance management | \$23 |
| 5/29/01 | Mercury Interactive | Freshwater Software | application performance management | \$147 |

SOURCE: VENTURESOURCE, ONLINE NEWS, COMPANY WEB SITES

Aarohi Communications

www.aarohi-inc.com

- Aarohi introduces FabricStream™, a storage processor architecture for fabric application processing, at Storage Networking World (4/16/03).

AmberWave

www.AmberWave.com

- AmberWave and Strained Silicon get positive mentions in *Investors' Business Daily* (3/11/03).
- AmberWave selects Mitch Tyson as its interim CEO. He assumes the position formerly held by Mark A. Wolf, who will continue his affiliation with the company as a consultant (3/4/03).

BayPackets

www.BayPackets.com

- BayPackets appoints Amol Joshi as vice president of marketing in charge of BayPackets' overall corporate and product marketing, technology and distribution partnerships, and the company's international expansion activities (3/31/03).
- BayPackets receives Top 10 Investor's Choice Award at Network Outlook 2003 (3/31/03).
- BayPackets secures \$21.7 million in new funding, bringing the total venture investment in the company to \$43.7 million. BayPackets will use the additional capital to expand its sales and marketing activities globally, bolster its customer support organization, and extend the capabilities of its Rapid Service Introduction™ (RSI) system, a software platform for developing and deploying revenue-generating services in circuit-switched, packet, wireless, and cable networks (3/10/03).

Calient Networks

www.calient.net

- Calient, the California Institute for Telecommunications and Information Technology, and the University of Illinois at Chicago team up to develop the "OptIPuter," a distributed cyber-infrastructure project designed to support data-intensive scientific research and collaboration. UIC has awarded a major purchase of all-optical switches to Calient, which will install them at facilities in the United States and the Netherlands (2/10/03).
- Calient signs a Cooperative Research and Development Agreement with the Joint Interoperability Test Command Laboratory of the Defense Information Systems Agency (DISA) for optical conformance and interoperability testing. This test program is a required step for any equipment proposed for implementation in Department of Defense (DOD) networks (2/3/03).

Calix

www.calix.com/

- Calix appoints Roger Weingarth as vice president of operations (3/31/03).
- Calix launches its first product with the support of \$50 million in Series E financing (2/5/03).
- Calix names former Cerent chief Carl Russo as president and CEO (2/5/03).

CoSine Communications

www.cosinecom.com

- CoSine introduces IPSP+, which extends its IP services leadership with wireless VPN and DSL network aggregation services (5/12/03).
- CoSine announces 2003 first quarter results: \$2.2 million in revenue, a GAAP net loss of \$8.9 million or \$0.91 per share, and \$84.3 million in cash and short-term investments (4/22/03).

- Sprint Canada Inc. selects CoSine's IPSX 9500 to reduce costs and power next-generation Internet services (4/22/03).
- Equant chooses CoSine to enable new VPN feature (4/21/03).
- Hanaro Telecom picks CoSine's IPSX 9500 to integrate IPSec and firewall with MPLS VPN service (3/10/03).

CreekPath Systems

www.creekpath.com

- CMP Media's *Network Magazine* names CreekPath Suite the 2003 Product of the Year in Storage Management Software (4/23/03).
- CreekPath's Mike Koclanes is chosen as one of the storage industry's Best CTOs by Steve Duplessie, founder and senior analyst for Enterprise Storage Group (3/17/03).
- UAL Loyalty Services, a subsidiary of the UAL Corporation and the portal for United Airlines and United Cargo e-commerce and Internet functions, selects CreekPath's AIM™ Suite to manage the company's heterogeneous storage network (3/11/03).

Ikanos Communications

www.ikanos.com

- Ikanos names Insoo Park as country manager of the company's local office in Seoul, South Korea. He will oversee Ikanos's business and strategic development in Korea, including the cultivation of relationships with key equipment vendors and service providers in the region (4/28/03).
- Ikanos appoints John Luhtala as the company's vice president and chief financial officer (CFO). He is the former CFO for the telecommunications semiconductor company Centillum Communications (3/31/03).

- Ikanos receives Technologic Partners' Investors' Choice Award at the Network Outlook private equity conference (3/17/03).
- Ikanos and STMicroelectronics announce that they have successfully achieved standards-compliant, chip-level digital subscriber line (DMT-VDSL) interoperability (3/3/03).

InfoLibria

www.infolibria.com

- Certeon Inc. acquires InfoLibria's complete line of award-winning content distribution network (CDN) products, its patent portfolio, and its technology assets (4/18/03).

Internet Photonics

www.internetphotonics.com

- Internet Photonics acquires a \$10 million line of credit from Comerica Inc. (5/6/03).
- *Communications Technology* magazine selects Internet Photonics's LightStack™ GSLAM as a finalist for its Readers' Choice Award, an annual program that honors the industry's most innovative new products (5/5/03).
- Internet Photonics introduces the LightStack GSLAM (Gigabit Services Line Access Multiplexer), a new metro optical platform unique in its ability to aggregate, switch, and multiplex multiple services (including managed services) over any fiber facility—even those facilities that are in use—without disrupting existing services (3/31/03).

- Cablevision Systems Corporation deploys Internet Photonics's Optical Ethernet and Wave Division Multiplexing (WDM) transport platforms as a key element of its video on demand network rollout. Cablevision has completed deployment in eastern Long Island, New Jersey, and the New York-Connecticut region (3/31/03)
- Internet Photonics's LightStack™ MXA Optical Ethernet customer premise device completes OSMINE for Telcordia TIRKS, a major milestone of the Telcordia OSMINE Services Process and a requirement for RBOC deployments. Telcordia TIRKS System completion helps integration with RBOCs' embedded OSSs (2/24/03).
- Internet Photonics and Aurora Networks announce a joint-distribution and reseller agreement to market and sell optical transport systems throughout North America and Europe. Internet Photonics will sell Aurora's complete line of high-bandwidth transmission systems designed for

advanced HFC, fiber deep, and FTTH networks. Aurora will sell Internet Photonics's family of Optical Ethernet and DWDM transport products (2/10/03).

- Internet Photonics and MidStream Technologies, a developer of VoD servers and solutions, announces the successful interoperability testing and integration of MidStream's IP2000 Video Server with Internet Photonics's LightStack MX multiplexer (2/3/03).

IP Unity/empowerTel Networks www.empowertel.com

- IP Unity releases IP Unity Conferencing 2.0 with advanced features that include integration with Microsoft's popular Outlook application, conference recording/playback capabilities, and outcall/invite functionality (4/8/03).
- IP Unity and Continuous Computing Corporation, a provider of high-availability network-ready computing solutions for telecom equipment manufacturers, announce the general availability of a joint solution combining communications services with a total redundancy solution. IP Unity utilizes the redundancy on its application servers to provide automatic failure detection and fail-over service for all of its hardware and software solutions, and provides the service as an option to its customers (3/25/03).

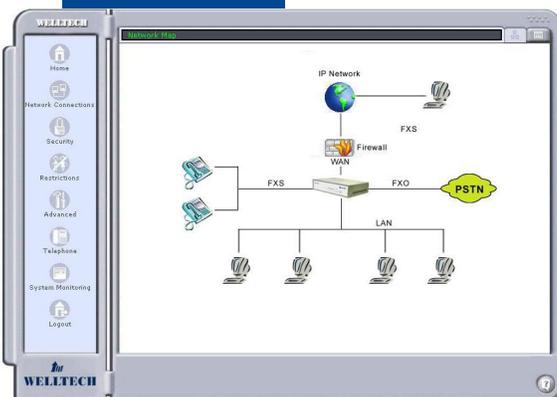


Internet Photonics's Lightstack GSLAM. Above: the Lightstack rack.

Jungo

www.jungo.com

- Toshiba America Information Systems becomes the first major cable modem manufacturer to embed Jungo's CableHome™ based OpenRG residential gateway software into a wireless cable modem router. Jungo's OpenRG software is embedded into Toshiba's PCX4500 Wireless Cable Modem Router, a CableHome-based, DOCSIS®-certified cable modem with an internal 802.11b wireless router and stateful inspection firewall. The software provides plug and play home networking services that can be remotely managed and provisioned by multiple systems operators (MSOs) (5/12/03).
- Z-Com, a Taiwan-based wireless networking solution provider for top-tier OEMs, selects Jungo's OpenRG residential gateway software to power the company's new 802.11g wireless access-point product (4/22/03).
- QuickLogic includes Jungo's WinDriver driver development tool in its QL5064 Reference Development Kit (RDK). This combination provides QuickLogic customers with a quick and easy-to-use solution for their driver and hardware access application development needs (4/22/03).
- Samsung Electronics and Jungo introduce an integrated software and silicon solution providing customer premise equipment (CPE) manufacturers with a production-ready infrastructure that speeds up development of broadband gateways, routers, and digital subscriber line (DSL) modems. The solution combines Samsung's S5N8947 microcontroller and Jungo's OpenRG software suite (4/22/03).
- Ofer Gadish joins Jungo as vice president of research and development. He was formerly with GlobespanVirata (3/30/03).
- Jungo joins the Texas Instruments Connectivity Developer Network, enabling TI's customers to easily adopt Jungo's driver development tools, WinDriver and KernelDriver. Jungo's driver development tools enable TI to offer its customers a complete USB hardware and software development package (3/25/03).
- Jungo introduces a CableHome 1.0-based key distribution center (KDC) and Kerberos server for testing and network management. Jungo's KDC and Kerberos server provide customer premise equipment (CPE) vendors with a vendor-based testing environment to validate the use of the Kerberos authentication protocol, as defined in the CableHome 1.0-based specifications (3/20/03).
- Jungo enhances its value to the USB device driver development market with the release of its WinDriver v6.0 driver development tool suite. This introduces USB driver development tools for Microsoft's WinCE.NET embedded operating system as well as for Linux (3/17/03).



Jungo's management screen

- STMicroelectronics selects Jungo's driver development toolkit, WinDriver, as its preferred driver development solution for ST's ST7 and ST9 based USB peripheral controllers. ST has already begun distributing WinDriver with its ST7 and ST9 Reference Design Kits, thereby enabling its customers to jump-start their driver development (3/12/03).
- Jungo's OpenRG residential gateway software will provide the core infrastructure for WellTech's new broadband voice over Internet protocol (VoIP) gateway (2/20/03).
- Xilinx and Jungo announce that Xilinx will include a 30-day evaluation version of Jungo's WinDriver, KernelDriver, and Hardware Debugger in Xilinx's Real-PCI™ 64/66 design kit (2/19/03).
- Core Networks and Jungo introduce an interoperable CableHome™ based software solution that allows multiple system operators (MSOs) to manage advanced home networking services over data over cable service interface specification (DOCSIS) networks (2/18/03).

Investment Bank Analysts

Alcatel—Banc of America, Chris Crespi (415-913-2147); RBC Capital, John Wilson (416-842-7908); Merrill Lynch, Adnan Ahmad (44-20-7772-1507).

Cisco—Deutsche Banc Alex Brown, Raj Srikanth (212-469-7687); CIBC World Markets, Stephen Kamman (212-667-8146); CS First Boston, James Parmalee (212-325-6191); UBS Warburg, Nikos Theodosopoulos (212-713-3286).

Cosine—Adams Harkness & Hill, Joanna Makris (617-371-3748).

Cypress—CS First Boston, Tim Mahon (650-614-5040); Lehman Brothers, Dan Niles (415-274-5252); Citigroup-Solomon Smith Barney, Clark Westmont (415-951-1886).

Dell—US Bancorp Piper Jaffray, Ashok Kumar (650-838-1414); Bear Stearns, Andrew Neff (212-272-4247); CS First Boston, Kevin McCarthy (212-538-3809).

Infineon—Citigroup-Solomon Smith Barney, Navdeep Sheera (44-20-7986-4199); Merrill Lynch, Andrew Griffin (44-20-7996-1414); Lehman Brothers, Dan Niles (415-274-5252).

Nortel—Deutsche Banc Alex Brown, Cobb Sadler (415-617-3242); Thomas Weisel Partners, Hasan Imam (212-271-3698); CIBC World Markets, Steve Kamman (212-667-8146); CS First Boston, James Parmalee (212-325-6191).

Vina—Thomas Weisel Partners, Jason Ader (617-488-4621).

Vitesse—CIBC World Markets, Jim Jungjohann (720-554-1120); CS First Boston, Michael Masdea (415-836-7779); Lehman Brothers, Arnab Chanda (415-274-5370); Thomas Weisel Partners, Jeremy Bunting (415-354-2610).

Matrix Semiconductor

www.matrixsemi.com/

- Matrix Semiconductor, a developer of high-density, low-cost three-dimensional semiconductors, announces the closing of a \$52 million round of financing. This financing follows the recent announcement of a \$15 million strategic investment by Nintendo. New investors in Matrix, participating in this round, include: TeleSoft Partners, Benchmark Capital Europe, Integral Capital Partners, and Seagate Technology. The round also includes ongoing investments by Matrix's founders and other prior investors including: Benchmark Capital, Skymoon Ventures, and Western Technology Investment (3/17/03).

NP Photonics

www.npphotonic.com

- NP Photonics's tunable filters pass a series of rigorous reliability tests that comply with Telcordia GR-1221 guidelines. These guidelines establish generic reliability assurance requirements for passive optical components (4/29/03).
- NP Photonics announces that its Scorpion SMPF-2030 Erbium Micro Fiber (EMF) laser module now features a fast (piezoelectric) frequency tuning option (3/31/03).
- NP Photonics introduces the ASE SMP-4010, a compact amplified spontaneous emission (ASE) module based on the company's unique fiber technology. Featuring high power delivered from a compact package, the ASE SMP-4010 is ideal for a variety of sensing and spectroscopy applications and as a light source for fiberoptic gyros. It is also valuable as a light source for passive optical component

testing, with broadband output across the telecommunications C-band (1525 nm to 1565 nm) (3/26/03).

- The Missile Defense Agency awards NP Photonics a Phase II Small Business Innovation Research (SBIR) contract. The SBIR contract will support further development of NP Photonics's multimode-pumped, monolithic gain array. This compact device has the potential to provide low-cost amplification throughout a variety of optical communication and fiberoptic sensing networks (2/25/03).

OnFiber Communications, Inc.

www.onfiber.com

- The Competitive Telecommunications Association (CompTel) names Danny Bottoms, president and CEO of OnFiber, as one of its twenty-eight telecommunications executives to be charter members of its CEO Council (4/3/02).
- OnFiber releases its 2002 financials: approximately \$15 million in revenue, an increase of more than 500 percent over 2001. This success is a result of adding customers such as France Telecom Long Distance, eBay, and Wal-Mart, combined with continued business from Qwest, Microsoft, and Yahoo! (2/24/02).

ProFlowers

www.proflowers.com

- ProFlowers announces a 25 percent increase in net revenue for the 2003 Valentine's Day season from \$16 million in 2002 to \$20 million in 2003. There was a 4 percent rise in revenue generated per Valentine's Day order, from \$55.53 in 2002 to \$59.01 in 2003, as well as a 13 percent increase in orders from new customers (3/6/03).

- ProFlowers announces quarterly revenues rose 19 percent to \$16.4 million for the period ending December 31, 2002, compared with the same period in 2001 (3/6/03).

RedClover

www.redcloverinc.com

- RedClover introduces its Transdaptor™ family of highly integrated and adaptive universal transponders. Transdaptor accelerates the deployment of "intelligent" optical hardware for access, storage, switching, and transport networks (3/25/03).
- RedClover and Oki Electric Industry are working together to exploit their joint technology and business resources at 10 Gb/s, in addition to their existing collaboration on the development of 40 Gb/s optical interface components and subsystems (3/25/03).
- RedClover's SFI-5 compliant PS40EX 40 Gb/s parallel-serial converter (ParSer) module successfully integrates Infineon's SiGe 40 Gb/s mux/demux ICs (3/25/03).

SigmaTel

www.sigmatel.com

- SigmaTel achieves ISO quality certification by the National Standards Authority of Ireland, Inc. (4/10/03).



During a break in the music at the SigmaTel ISO certification party, SigmaTel CEO Ron Edgerton receives a recognition award from employees for the tremendous job he has done since taking the position in 2001.

- SigmaTel receives additional equity funding totaling \$7 million from its existing investors. These funds will be used to reduce outstanding debt and for ongoing operations to support the company's continuing expansion in 2003. In conjunction with the equity round, SigmaTel has entered into a new debt agreement with Silicon Valley Bank (3/6/03).
- SigmaTel announces that its C-Major™ audio codec product line will conform to Intel's next-generation High Definition Audio standards, which were presented at the Spring 2003 Intel Developers Forum in San Jose, CA (2/20/03).

The FeedRoom

www.feedroom.com

- FeedRoom CEO Jon Klein demonstrates The FeedRoom's broadband video solutions with NBC's Joseph Cottone at iMedia Summit 2003 (4/12/03).
- *Streaming Magazine's* readers pick The FeedRoom for providing the best consumer program (4/7/03).



SigmaTel components are used in a variety of MP3 players.



Xpedion team meets in Tahoe.

- The FeedRoom and Intel demonstrate video-related products at 2003 RTNDA@NAB Conference. The products include components of FeedRoom Systems, which individually or as part of an end-to-end solution helps customers create, deliver, and monetize video content to the Internet and other digital distribution platforms (3/31/03).
 - The FeedRoom launches Reuters Raw Video: Conflict in Iraq, a 24-hour online news channel that offers consumers ongoing coverage direct from the Persian Gulf as events unfold (3/19/03).
 - ZugaPhoto.TV, a broadcast network dedicated to photography, will be powered by The FeedRoom's full-screen video technology. This offers "instant access" to shows featuring twenty-five top professional photographers (2/25/03).
 - Larscom and VINA sign an agreement to merge. The combined company will offer one of the industry's broadest portfolios of broadband access systems. Under the terms of the merger agreement, VINA stockholders will receive 0.2659 shares of Larscom common stock for each VINA common share held. The new company will be called Larscom Incorporated and headquartered in the Silicon Valley (3/18/03).
 - According to Infonetics Research's Broadband Hardware and Access Routers quarterly, Vina's T1 TDM IAD unit market share increased to 25 percent (2/20/03).
- VINA Technologies**
www.vina-tech.com
- VINA reports financial results for the first quarter of 2003: \$2.7 million in revenue, compared with \$6.4 million in the first quarter of 2002 (4/18/03).
- Xpedion Design Systems**
www.xpedion.com
- As a result of engagements with eighteen of the top twenty wireless RFIC companies worldwide, Xpedion is expanding its sale channels. It has opened a Northeast sales and support office and added a Korean distributor. It is looking for direct representation in Japan and anticipates opening a Southwest sales office (4/30/03).

Conference Calendar

SUPER-COMM

June 1–5
Georgia World Congress Center
Atlanta, GA
*Participating: BayPackets, Ikanos,
Internet Photonics, IP Unity/
empowerTel*

DAC 2003

40th Design Automation
Conference
June 2–6
Anaheim, CA
Participating: Xpedion

CLEO '03

June 3–5
Baltimore, MD
Participating: NP Photonics

MTT 2003

IEEE International Microwave
Symposium
June 8–13
Philadelphia, PA
Participating: Xpedion

PLANETSTORAGE

June 9–12
Las Vegas, NV
Participating: CreekPath

VON EUROPE

June 9–12
Olympia Conference Centre
London, UK
Participating: BayPackets

NFOEC '03

September 7–11
Orlando, FL
Participating: NP Photonics

FALL VON

September 22–25
Hynes Convention Center
Boston, MA
Participating: BayPackets

ITU TELECOM WORLD

October 12–18
Geneva Palexpo
Geneva, Switzerland
Participating: BayPackets

E EXPO STORAGE

e expo STORAGE is a virtual data storage and network solutions expo and conference. Live and online 24-7-365, e expo STORAGE offers visitors graphical desktop access to the latest business critical information from solution providers in areas such as SAN, NAS, data storage solutions, networking issues, data recovery, operating systems, and server technology. Visit CreekPath's virtual stand via e expo Hall 2.
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