

Napatech Receives \$5 Million Venture Capital Funding

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COPENHAGEN, Denmark and MOUNTAIN VIEW, CA (SEND2PRESS NEWSWIRE) – Napatech today announced the investment of \$5 million from Ferd Venture, Northzone Ventures and DTU Innovation. Napatech is the leader in programmable high speed Ethernet network adapters. The investment coincides with Napatech's acquisition of the network adapter business of storage solution leader Xyratex.

"We are very pleased with the confidence in Napatech's business opportunity shown by the investors, and I in particular welcome the new investor Ferd Venture," says Henrik Brill Jensen, CEO, "The funding enables us specifically to acquire the adapter business of Xyratex and to react effectively to the demand we experience in the market."

Napatech's solutions enable OEM customers to scale network monitoring appliances, traffic analysers and recorders, testers and security products to the rapidly growing Ethernet speeds and traffic load. The solutions enable many applications by off-loading CPU/memory and bus architectures.

"The network traffic is growing at a pace three times faster than the CPU capacity. As more companies move to gigabit networks there will be an increasing need for programmable network adapters to offload the CPU and Napatech is a strong company in this market," says Bjorn Erik Reinseth, partner in Ferd Venture.

"This dual transaction solidifies Napatech's position in the market to the great advantage of the customers," says Gregers Kronborg, general partner in Northzone Ventures, "The strategy to specialize in programmable network adapter platforms that supports a multitude of OEM customers is being widely accepted and leveraged."

Napatech's product portfolio includes a 1Gb and a 10Gb platform that offer solutions for network management, traffic analysis and recording, security applications and a toolbox enabling customers to implement their own proprietary intellectual property on the network adapter.

The round was led by Ferd Venture. As Nordic early stage ICT investors Ferd Venture and existing investor Northzone Ventures put emphasis on working closely with the founders and management to develop the company. The existing investor DTU Innovation, which is a fund related to the Danish Technical University, also participated in the round.

Private investor, and formerly co-founder and COO of the Danish public networking company Olicom, Kurt Nybroe-Nielsen will continue as chairman of Napatech. Bjorn Erik Reinseth from Ferd Ventures will join the board. Gregers Kronborg, formerly co-founder of Danish cable broadband start-up COCOM that

was acquired by Cisco in 1999, continues on the board as vice-chairman. Also continuing on the board is co-founder and CTO of Napatech Jens Christophersen, formerly lead architect with COCOM and Cisco. Finally, Erik Norup, former director of marketing in Cisco will continue to serve on the board of Napatech.

About Napatech

Founded in 2003, Napatech produces programmable and intelligent Ethernet adapters. The core idea is off-loading real-time/streaming traffic and payload analysis and control applications traditionally implemented in software or proprietary hardware. Napatech expects a huge growth in the demand for intelligent and programmable adapters as Ethernet speeds increase. The current PC architecture limits the amount of bandwidth that can be handled by the PCI bus and CPU/memory. Napatech offers its products to OEM customers. Napatech has marketing and R&D offices in Mountain View, California and Copenhagen, Denmark. Napatech is a 2004 Tornado100 Winner. Napatech is funded by Northzone Ventures, Ferd Venture, DTU-Innovation and a group of business angels with vast experience within networking.

<http://www.napatech.com>

About Ferd Venture

Ferd Venture is part of Ferd, which is one of Norway's leading investment companies. Ferd Venture primarily invests in Nordic technology-based companies that are seeking capital for further commercialisation and growth, and which have the potential to sustain long-term competitive market advantage. Ferd Venture has a team of 6 investment professionals based out of offices in Oslo, and has significant capital reserves available for new investments. The current portfolio consist of 10 companies including Affitech, Bone Support, Cinevation, Colibria, Forbrukerforsikring, Genkey, Marical, Mohive, Nacre and Vensafe.

For further information, please visit www.ferdventure.no.

About Northzone

Northzone Ventures, the venture capital management company, was established in 1996. Northzone Ventures has a team of 10 people and offices in Copenhagen, Stockholm and Oslo. Northzone is actively engaged in about 20 Scandinavian technology companies. Current and past portfolio companies include Pricerunner, Asetek, Enigma Semiconductor, Speakernet, Funcom, Lastminute.com, Mamut, Nextgentel, Stepstone and Trolltech.

For further information, please visit www.northzone.com.

About DTU Innovation

DTU Innovation is a pre-seed venture company. DTU Innovation has 100 MDKK under management. The funds are partly government money and partly venture money from a group of the largest Danish companies.

For further information, please visit www.dtu-innovation.dk.

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