

Siemens Venture Capital Makes a Strategic Investment in Dune Networks

Sunnyvale, California, August 12, 2005 -- Siemens Venture Capital GmbH (SVC), a subsidiary of Siemens AG, announced today a strategic investment in Dune Networks, a leading provider of merchant silicon solutions for traffic management and scalable switching fabrics.

“To enable the emerging converged network, carrier-class equipment needs to be flexible and able to guarantee bandwidth not only per subscriber but also per each subscriber-application”, commented Gerd Goette, Investment Partner at Siemens Venture Capital. “Dune’s traffic management technology together with its scalable fabric has proven to be the best in the market. It enables Siemens to develop a product portfolio, around a single technology, which addresses the service providers’ traffic management requirements in the Metro, Core and Edge markets”.

“We are enthusiastic at the prospect of having Siemens as a strategic investor. Dune is rapidly growing its customer and revenue base,” said Eyal Dagan, CEO of Dune Networks. “These investment funds will enable us to accelerate and expand our sales, marketing, and product development activities. Dune benefits from Siemens’ financial strength, while Dune technology is enabling Siemens to introduce new products and services” said Dagan further.

Dune Networks’ solutions are available since April 2004, and are already deployed in live networks. New traffic managers based on same architecture are constantly being developed to address different markets and customer requirements.

About Dune Networks

Dune Networks (www.dunenetworks.com) is a leading provider of distributed standard-compliant traffic management and scalable switching fabric solutions. Founded in October 2000, Dune Networks is headquartered in Sunnyvale, California, and has an R&D center in Yakum Industrial Park, Israel.

About Siemens Venture Capital

Siemens Venture Capital (SVC) is the \$600 million corporate venture organization for Siemens AG, (NYSE:SI) one of the largest global electronics and engineering companies with reported worldwide sales of \$91.5 billion in fiscal 2004. The goal of SVC is to identify and fund investments in emerging and innovative technologies that will enhance the core business scope of Siemens, particularly in Information and Communications, Automation and Control, Medical Solutions, Automotive Technology and Transportation Systems, Power, and Lighting. With offices in Munich, San Jose (CA), and Boston (MA), and through Siemens Israel, Ltd. SVC has an active portfolio of more than 70 start-up companies and 30 venture capital funds, and plays a key role in the global network of innovation.

SVC is part of a greater network at Siemens whose mission is to drive technological innovation by supporting start-up companies. In addition to Siemens Venture Capital, also Siemens Acceleration in Communications, Siemens Technology Accelerator, and Siemens Technology-To-Business Center contribute to the innovation strategy of Siemens. Their individual mandates are defined according to financing stages and industry focus.

More: www.siemensventurecapital.com