



MONTAVISTA SOFTWARE SECURES \$21 MILLION IN PRIVATE FUNDING

SANTA CLARA, Calif., December 5, 2006 – MontaVista Software, Inc., the leading global supplier of production-quality embedded Linux operating systems and development tools, today announced it has secured \$21 million in funding led by Siemens Venture Capital. Also participating were NEC, Alloy Ventures, US Venture Partners, Aplix and others.

“MontaVista Software is the leading supplier of field proven Linux operating systems deployed in tens of millions of devices and electronic equipment by over 2000 customers,” said Thomas F. Kelly, president and CEO, MontaVista Software. “These funds will allow us to expand our product offerings and continue to attract the highest quality talent in the marketplace.”

Venture Development Corporation (VDC) estimates that worldwide shipments of embedded/real-time and mobile application operating systems, bundled tools, and related services totaled over \$1 billion in 2005, and by 2008 will reach \$2 billion.

“We have been a growing customer for years and have strategic product lines in market based on MontaVista technology,” said Reinhold Achatz, Head of Siemens Corporate Research and Technologies, Siemens AG. “MontaVista is a key supplier and our increased investment through Siemens Venture Capital reflects this.”

MontaVista delivers three distinct Linux editions: Mobilinux for mobile phones and devices, Carrier Grade Edition for telecommunications infrastructure equipment, and Professional Edition for a wide range of electronic devices.

“MontaVista Linux is proven, highly reliable software,” said Yoshikazu Maruyama, senior vice president, IT Platform Business Unit, NEC Corporation. “We have seen six nines reliability from our infrastructure equipment using MontaVista Linux. We will continue to deploy MontaVista Linux for expanding the Next Generation Network (NGN) market place with our growing strategic relationship.”

The financing closed on November 24. The Company intends to use these funds primarily to build cash reserves.

“Increasing our investment in the market leader for embedded Linux was a sound decision,” said Steve Krausz, General Partner for US Venture Partners. “From their installed base of top named customers and their technical leadership, to their strong management and a large and growing market, the investment was compelling.”

About MontaVista Software

MontaVista is the leading embedded Linux provider for the telecommunications, mobile, and embedded markets. MontaVista delivers a complete, flexible and open operating system which allows designers to innovate across a wide range of mobile and wireless devices and communications infrastructures. Headquartered in Santa Clara, Calif., MontaVista has operations in 15 countries. For more information, please visit www.mvista.com.

About Siemens Venture Capital

Siemens Venture Capital(SVC) is the 700 million euro corporate venture organization for Siemens AG, one of the largest global electronics and engineering companies, with reported worldwide sales of 75.4 billion euros in fiscal 2005.

SVC's goal 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, medical solutions, automation and control, power, automotive technology and transportation systems, and lighting.

To date, SVC has invested some 700 million euros in well over 100 startup companies and 30 venture capital funds, mainly in the U.S., Europe and Israel, thus playing a key role in the global network of innovation. SVC is located in Germany (Munich), in the U.S. (San José, CA and Boston, MA), in China (Beijing and Shanghai), in India (Mumbai and Bangalore), and is active through Siemens' regional unit in Israel.

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