

TeleSym, Inc.

Wireless Internet telephony company TeleSym lands \$12.5 million in funding

**Investors include Bay Partners, Intel Communications Fund,
Northwest Venture Associates, Siemens Venture Capital
and Thomas Weisel Venture Partners**

Embargoed to 9 a.m. (PDT), Sept. 26, 2003

Bellevue, Wash., Sept. 26, 2003 – TeleSym, Inc. announced today that it has completed a second-round of venture funding, amounting to approximately \$12.5 million. This brings the company's total funding to \$18 million since its inception in 2000.

TeleSym's software enables voice calling from mobile computers on wireless networks. The company's SymPhone System adds cordless phone capability to every computer on a Wi-Fi network.

The funding round was led by the Intel Communications Fund and Siemens Venture Capital, and includes new investor Thomas Weisel Venture Partners. Original investors Bay Partners and Northwest Venture Associates also participated.

Investor observations about TeleSym

"This investment is part of Intel's commitment to invest in technologies that help accelerate wireless network deployment and proliferate the Wi-Fi standard worldwide," said Sriram Viswanathan, managing director, Intel Capital. "Voice calling is a critical application for Wi-Fi. TeleSym provides PDA and Intel® Centrino™ mobile technology computer users with voice calling over Wi-Fi, in an easy-to-use package."

Representing Siemens Venture Capital in the United States, Louis Rajczi, investment partner, notes the significance of TeleSym's innovation: "Enterprise clients around the globe look to our companies to provide category-leading solutions, like SymPhone. TeleSym makes wireless networking even more valuable, by providing a reliable, industrial-strength wireless IP telephony solution that the enterprise market requires."

"Wi-Fi is becoming important nearly everywhere, and TeleSym is poised to deliver the next major application for Wi-Fi," adds Bjoern Christensen, president and CEO of Siemens Venture Capital. "Siemens' investments are not restricted to financial resources. Our business model includes the investment of knowledge capital and access to customer opportunities internally - within Siemens operating companies and externally - among our customers. This offers a more compelling value equation for startups and for Siemens."

"Given the continued accelerated build out of WLANS, we believe that users are now looking beyond traditional data access to layer other applications and services onto their wireless networks," says Rob Born of Thomas Weisel Venture Partners. "High quality voice communication over WLANs presents a compelling value proposition, and TeleSym has developed a best-of-breed technology that provides the most flexible means of tapping that value."

"We are delighted to have Siemens and Thomas Weisel Venture Partners as investors in the company. We will use the new financing to help establish and serve the wireless IP-telephony market," explains Raju Gulabani, CEO and chairman of TeleSym. "We believe our strategic relationships are already bearing fruit with new marketing opportunities, which is helping accelerate product acceptance." An example is last week's unveiling of an Intel Labs "Universal Communicator," a dual-mode "prototype handset" with 802.11 and GSM radios, using Wi-Fi voice software from TeleSym.

Giving voice to mobile workers

TeleSym was launched to provide top-quality, economical voice calling wherever mobile workers use wireless devices with broadband Internet. The company's SymPhone System software can add cordless phone capability to every mobile device on a Wi-Fi network.

SymPhone Client software enables dialing calls from an on-screen dial pad and existing contact lists—to reach any telephone in the world. SymPhone Client runs on Windows laptops and desktops, and a version is optimized and validated for compatibility with Intel Centrino mobile technology-based laptops. Another version is designed for Pocket PC/Windows Mobile PDAs. SymPhone server software connects callers to enterprise phone systems and PBXes.

Patent-pending features in SymPhone provide breakthrough sound quality that surpasses earlier-generation "soft phone" software. When calling between SymPhones across the open Internet and Wi-Fi (802.11) LANs, the fidelity is "near-CD-quality," with no perceived latency (delay). As Network Computing magazine put it, "... normal sound for the SymPhone is nothing short of spectacular; it approaches CD quality."

The SymPhone Client software is available for a 30-day free trial download at www.telesym.com.

About the Intel Communications Fund

The \$500 million Intel Communications Fund, managed by Intel Capital, was established in 1999 and focuses on accelerating Intel voice and data communications, and wireless networking initiatives. The fund has made more than 80 investments in 17 countries on five continents. For more information about the fund, visit www.intel.com/capital/portfolio/funds/icf.htm.

About Siemens Venture Capital

Siemens Venture Capital (SVC) (www.siemensventurecapital.com) is the corporate venture organization for all Siemens' businesses worldwide. The goal is to identify and fund investments in emerging and innovative technologies that will enhance the core business scope of Siemens. To date, SVC has invested some 500 million euros in more than 70 start-up companies and 25 venture capital funds, mainly in the U.S., Europe and Israel. SVC is located in Germany (Munich) and in the U.S. (San José, CA and Boston, MA).

About Bay Partners

Bay Partners (www.baypartners.com), an early-stage venture capital firm with more than \$1 billion of capital under active management, has invested in, and nurtured, more than 200 technology start-ups. The company is located in Cupertino, Calif.

About Northwest Venture Associates

Northwest Venture Associates (www.nwva.com) has \$190 million under management and is the largest venture capital fund exclusively invested in Pacific Northwest-based companies. The company has offices in Spokane, Wash. and Seattle.

About Thomas Weisel Venture Partners

Thomas Weisel Venture Partners L.P. (www.twvp.com), Menlo Park, Calif., is a \$255 million early-stage venture capital fund, focused on investing in emerging technology infrastructure and services companies in the high-growth communications, software and Internet sectors.

About TeleSym

TeleSym (www.telesym.com) has developed a new generation of technology for wireless IP telephony. TeleSym's software delivers high-quality, cost-effective voice communications over wireless and wired enterprise networks, enhancing communications by mobile workers. TeleSym's goal is to become the worldwide leader in advanced software solutions for wireless voice-over-IP.

#

TeleSym and SymPhone are registered trademarks of TeleSym Inc. Other trademarks are the property of their respective owners.

Media contact:

Patrick Bannon, Hill & Knowlton, Seattle, 206/728-1100, mobile 206/992-4534,
patrick.bannon@hillandknowlton.com