

Interactive Silicon, Inc. Raises \$12.9 Million

Castletop Capital and Techno Venture Management Lead Third Round Funding
AUSTIN, Texas - August 13, 2001- Interactive Silicon, Inc., (ISI) a technology company focused on delivering dramatically increased system and network performance, today announced it has secured \$12.9 million in venture capital funding. ISI will use this latest investment to expand product development and support launch activities targeted for later this year. With this latest round, ISI has received venture funding to date totaling \$19.4 million.

Castletop Capital, a venture firm co-founded by Mort Topfer, former Dell vice chairman, and TVM Techno Venture Management, a German-U.S. venture capital firm, led this round of funding. Other investors include Austin Ventures, Band of Angels Fund, Convergent Investors, Dell, Dieckell Vermögensverwaltungs, **Siemens Venture Capital** and Technology Associates Management Company "Castletop looks for investment opportunities that solve real problems for real markets and customers," said Richard Topfer, managing director of Castletop Capital. "We were very impressed with ISI's technology and the seasoned management team. And, investing in a technology that is applicable across many platforms was very compelling to us."

ISI received \$1.5 million in first round funding from Austin Ventures in June 1998. A second round of funding totaling \$5 million followed in November 1999, led by Dell and included Austin Ventures, Band of Angels Fund, **Siemens Venture Capital**, Synopses, and TVM.

"ISI represented a strong match for our portfolio of emerging technologies," said Peter L. Levin, Ph.D., partner at TVM Techno Venture Management. " We see their technology bringing significant value to the industry and welcomed the opportunity to participate in this round of funding."

"Attracting this caliber of investors really validates the technology and market opportunity for us," said Steven Keilen, president and CEO of Interactive Silicon. "The additional funding will allow us to further enhance our development activities and introduce this compelling new technology into the market."

Interactive Silicon recently announced Keilen's promotion to president and chief executive officer (CEO) of the company from his position as executive vice president and general manager. Prior to ISI, Keilen held key management positions with leading computer companies Compaq and Hewlett-Packard Company.

Groundbreaking Technology

The company's patented adaptive compression technology, scheduled to launch later this year, increases the performance of any computer system involved with accessing, transmitting, or storing data. Current results in x86 servers show an average increase of 30 percent when running industry standard benchmarks. The ISI solution was developed to address the difficult and pervasive problem of I/O bottlenecks across the entire computing fabric – servers, workstations, storage, network and wireless devices – by improving overall performance, increasing the effective capacity of system memory and improving bandwidth across the network. The company's initial product will target the server market before extending the technology into other computing platforms and devices.

About Castletop Capital

Bringing a distinctive, hands on approach to their portfolio companies, Castletop Capital is a \$60 million venture capital fund focused on early stage technology,

software and business infrastructure companies. The firm was co-founded in 2000 by Mort Topfer, Alan Topfer and Richard Topfer with the goal of assisting entrepreneurs in building their businesses. This will be accomplished by providing investments of capital and the technical and operational expertise of the firm's Managing Directors. Collectively, the Managing Directors of Castletop Capital bring over 70 years of operational experience that will add significant value to our portfolio companies. Based on the desire to be actively involved with our portfolio companies, Castletop Capital is primarily focused on Texas-based businesses.

About TVM Techno Venture Management

TVM Techno Venture Management is a German-U.S. venture capital firm with offices in Munich, Boston and San Francisco. The investment focus is on transatlantic high-growth information and communications technology and life science companies. Since inception in 1984, TVM funds have made investments into more than 190 companies in 8 countries. More than 40 of these companies have gone public on NASDAQ, Germany's Neuer Markt and other major European Stock Exchanges.

About Other Investors

For more information on the other investors participating in this round, please visit their respective Web sites: Austin Ventures www.austinventures.com; Band of Angels Fund www.bandangels.com; Convergent Investors www.convergentinvestors.com; Dell www.dellventures.com; Dieckell Vermögensverwaltungs (contact levin@tvmvc.com); **Siemens Venture Capital** www.siemensventurecapital.com; and Technology Associates Management Company www.tamcfund.com.

About Interactive Silicon, Inc.

Founded in 1998, the company (currently operating as Interactive Silicon Inc.) designs, develops and markets adaptive compression technologies that address system performance and data bandwidth issues associated with computing platforms from servers to high-speed communication networks. Headquartered in Austin, Texas, ISI has filed 24 patents and has received nine to date for its groundbreaking compression technology.

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