



Press Release

Aylus Networks Secures \$15 Million to Redefine Mobile Communications with Real-Time Multimedia Sharing

Mobile Subscribers to Share Video and Images in Real-time During Conversations

WESTFORD, Mass. — June 12, 2007 — Aylus Networks, Inc. — the provider of real-time multimedia sharing solutions for mobile networks — today announced it has raised \$15 million for continued business expansion in its second round of venture capital funding from original investors Matrix Partners and North Bridge Venture Partners. Aylus Networks was established by Dr. Shamim Naqvi with the vision to change the manner of communication in emerging wireless networks by enabling mobile subscribers to share multimedia in real-time during voice conversations.

With this new class of voice and multimedia share services (also known as combinational services), mobile operators deploying Aylus technology will enable their subscribers to significantly enhance standard voice calls through video share, video clips, images, and even the screen display in real-time with one simple click on their mobile phones. Subscribers of all ages can make use of more dynamic voice conversations, whether it's consumers that want to spontaneously shares images or live video, or business users seeking to boost responsiveness and efficiency. Mobile operators will capture new subscribers, and will enhance service revenues from the existing subscribers by offering these new services and by driving demand for more data usage over wireless networks.

"We believe wireless operators will continue to invest heavily in technology that improves person-to-person communications. Real-time multimedia sharing services will both improve communications and drive growth for the wireless industry," said Paul Ferri, Managing Partner, Matrix Partners, and Aylus Networks Board member. "Aylus is well positioned for leadership in this new market segment."

A confluence of factors is driving the need to transform the way people communicate in wireless networks – rapid development of 3G mobile infrastructure, more powerful mobile devices, and growing expectations by subscribers for more exciting applications. More than 140 UMTS mobile operators worldwide have made significant investments in 3G spectrum and network infrastructure. UMTS and WLAN networks offer the possibility that a voice conversation in progress can be enhanced immediately with multimedia. There are currently ~100 million UMTS subscribers, and this number is expected to grow rapidly to more than 884 million by 2011, according to Informa Telecoms & Media. Multiple studies on consumer behavior predict subscribers will exchange media in a voice call when given the opportunity.

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To meet this significant market opportunity, Aylus is building an application platform, multimedia applications and handset client software that:

- Allow operators to rapidly introduce a suite of 3G multimedia sharing services
- Drive demand for data usage on mobile networks; increasing ARPU and reducing churn
- Integrate with existing wireless networks, applications and services
- Interoperate with a range of 2G/3G handsets and personal computers
- Remain compatible with non-IMS, pre-IMS and IMS network architectures
- Support the open standards of the OMA, GSM-A and 3GPP

“Aylus is executing on a bold, clear and realistic vision that has potential to significantly impact the future of mobile communications,” said Edward T. Anderson, founding Managing General Partner, North Bridge Ventures, and Aylus Networks Board member.

“People point to things, pull out photographs and trouble-shoot problems while talking on their mobile phone. Aylus’ technology allows this natural mode of communication to occur in wireless telephony networks,” said Shamim Naqvi, Founder, Chairman and CEO, Aylus Networks, Inc. “Significant developments in mobile communications devices and networks in recent years now make it possible for subscribers to experience a richer communications experience. Aylus puts the richness into a voice-only conversation.”

About Aylus Networks, Inc.

Aylus Networks, the provider of real-time multimedia sharing solutions for mobile networks, was founded in January 2005 with the vision to change the way people communicate in emerging wireless networks by enabling subscribers to share multimedia in real-time during voice conversations. Aylus Networks is privately held and supported by venture financing from Matrix Partners and North Bridge Venture Partners. The company is headquartered in Westford, Massachusetts, with additional operations and research and development centers in Hong Kong, India, and Singapore. To contact Aylus Networks, please call 978-392-4730 in the U.S., or visit www.aylus.com.

About Matrix Partners

Matrix Partners is a venture capital firm focused on early stage investments in the communications, consumer Internet, mobile, semiconductor, and software sectors. The firm emphasizes long-term relationships with world-class entrepreneurs. Founded in 1977, Matrix Partners ranks among the industry's top-performing venture capital firms. Prior portfolio companies include Apple, JBoss, OpenWave, SanDisk, Sycamore Networks, Veritas and Winphoria Networks. The firm manages over \$2.5 billion in assets from its offices in Boston, Silicon Valley, and India. For more information see <http://matrixpartners.com>.

About North Bridge Venture Partners

North Bridge Venture Partners is an active, early-stage venture capital firm based in the Boston area. With approximately \$1.3 billion under management, North Bridge focuses on investments in the communications, software and other technology markets. Working closely with entrepreneurs, North Bridge adds value by providing strategic guidance, specific industry knowledge, team-building skills and an in-depth understanding of both private and public financings. Past investments include ArrowPoint Communications, Cascade Communications, eRoom Technology, Phase Forward, Solidworks, Sonus Networks, Sycamore Networks, Wellfleet Communications and Winphoria Networks. For more information about the company, please visit <http://www.nbvp.com>.

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