

T.SQUARE RAISES \$29.3 MILLION

Santa Clara, CA, February 14, 2000 -- T.square, the leading provider of network edge processors, today announced it has raised \$29.3 million. This round brings total investment in the company to over \$57 million. Investors in this round include Gilbert Global Equity Partner (which led the round), GE Capital, Merrill Lynch, Seligman, RS Fund (formerly Roberston Stephens Ventures) First Hand, Dain Rausher Wessels and others, nearly doubling total investment in the company.

"T.square continues to lead the market in bringing intelligence to the edge of the network," said Arvind Rao, managing director of Gilbert Global Equity Partner. "The company is not just talking about their network edge technology, but are converting its design wins into projected revenue streams, signaling increased industry acceptance of their technology and products."

Currently, T.square has more than 20 design wins with its network edge processor technology. Products using this technology include Edge routers, Sonet multiplexers, frame relay and ATM switches, multi-service switches, VOIP (voice over IP) switches, and SS7 gateways/gatekeepers.

Network Processors - A Market Segmenting

Recently, three types of network processors have emerged, each highly optimized for the functions required for processing high speed packet or cell based information, in low cost networks of the Internet era. The first type, network edge processors, are used in equipment at the edge of the network, providing an on-ramp to carrier infrastructure, second are accelerator processors, followed by the third type, backbone processors, that are used at the core of the network. T.square is the only announced supplier of edge processors, and can be credited with inventing the concept. Virtually all of the remaining network processor vendors have thus far concentrated on either accelerator or backbone processing functions.

T.square's edge processors are complex, high-speed network processors optimized for the special needs of edge equipment, such as routers, switches, add-drop multiplexers (ADMs) and VoIP gateways. Edge equipment must process in parallel vast numbers of asynchronous streams of user traffic, over a variety of physical media, and operating at the bit level. Since the edge equipment is the "first to touch the packet," it makes the most sense to provide intelligence and performance at the edge. This supports the move by carriers to place more intelligence at the edge of the network to prepare packets, both voice and data, for high speed switched backbones.

T.square Inc. is based in Santa Clara, CA, and was one of the earliest users of RISC architecture as a base for developing Network processors. T.square's web address is www.tsquare.com.

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