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Tidal Networks Secures \$12 Million in Series B Funding from Leading Venture Capital Firms Accel Partners and Sequoia Capital

Enterprise Networking Startup to Deliver Breakthrough Solution for \$13 Billion Market

SAN JOSE, Calif. – July 13, 2004 – Tidal Networks™ Inc., a stealth-mode networking startup focused on addressing the growing internal security challenge for enterprises, today announced that Accel Partners and Sequoia Capital have joined forces in providing an up-round of financing for the company to the tune of \$12 million. Both Accel and Sequoia are skilled at leading investments in similar early-stage companies – such as Foundry, Redback and Arrowpoint; and Cisco, 3Com and Netscreen respectively.

“Networking and security are on a collision course as every internal Ethernet port represents a security threat,” said Tom Barsi, president and CEO of Tidal Networks. “To address this opportunity, Tidal Networks has combined breakthrough technology, a strong management team and a financial syndicate that has a history of innovating in the space.”

“Tidal Networks has a team with a proven track record in building successful companies,” said Michael Goguen, partner at Sequoia Capital. “Tidal Networks is clearly poised to take advantage of its unique technology advantage and well-rounded team to capitalize on this tremendous market opportunity.”

“Accel Partners has been looking to invest in an infrastructure solution to the network security problem but we were looking to find the technology that could lead the market to the next level of needed innovation,” said Peter Wagner, managing general partner at Accel Partners. “Tidal Networks is one such company because it is challenging some of the basic assumptions of how networks and security interact.”

The Technology

The technology driving this revolutionary approach is a new processing architecture, pioneered by Tidal Networks, designed specifically for complex networking applications requiring high processing and memory-bandwidth requirements. Tidal Networks leverages its TidalFlow™ multi-threaded processor technology to deliver significant performance comparable to hard-wired ASICs with the flexibility of a CPU.

“With network speeds increasing, neither general-purpose CPUs nor network processors can deliver the performance required for the latest network security applications,” said Linley Gwennap, principal analyst of The Linley Group. “The TidalFlow architecture is optimized for these complex applications and should deliver superior performance.”

The Team

Tidal Networks is pleased to introduce an executive team that boasts a strong track record working with such companies as Foundry, Centillion, VINA Technologies, National Semiconductor and Nortel.

- **Jeff Prince**, executive chairman and vice president of engineering, has over 16 years of experience developing networking and ASIC technologies. Prior to Tidal Networks, Prince was a co-founder of Foundry (FDRY) and Centillion (acquired by Bay). Prince is an inventor of eight patents related to networking technologies.
- **Tom Barsi**, president and CEO, brings to Tidal Networks a pedigree in successfully launching products, developing strategic relationships and creating channels. Prior to Tidal Networks, Barsi was a co-founder and vice president of marketing and business development at VINA. He developed the go-to-market and channel strategy that positioned the company for a successful IPO in 2000.
- **Mario Nemirovsky**, CTO, is an innovator in the area of multi-threading processors and holds 23 patents. Nemirovsky has done extensive research in simultaneous multithreading, high performance architectures, real-time and network processors. Nemirovsky was previously a chief architect at National Semiconductor.
- **Faizel Lakhani**, vice president of marketing, brings strength in identifying new markets and introducing new products. Lakhani was previously with Caspian and Nortel.

In addition to Prince, Barsi and Joe Kennedy (currently CEO at Omneon Video Networks), Wagner and Goguen join the Tidal Networks board of directors.

About Tidal Networks

Founded in August 2003, Tidal Network's mission is to revolutionize networking. At the heart of the company's solutions is its patent-pending TidalFlow™ multi-threaded processor – the scalable foundation driving a breakthrough in next generation networking.

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