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*****FOR IMMEDIATE RELEASE*****

**AFTER A DECADE OF TALK, THE "INTERNET OF THINGS" HAS MOVED TO A SUPERB
INVESTMENT OPPORTUNITY FOR VENTURE CAPITAL
Huge Opportunity for Startups, Says ONSET Partner, as Entrenched Applications and Vendors are
Marginalized by the Clamor of Billions of Devices over the Network**

MENLO PARK, CA - July 24, 2007 - What now appears to be an inevitable explosion of data and connections to the Internet generated by billions of ordinary and not-so-ordinary devices and sensors is creating a huge investment opportunity for venture capitalists, says Terry L. Opdendyk, a General Partner of ONSET Ventures. The opportunity comes from the emerging need for new applications to leverage an increase in network traffic of several orders of magnitude. Such traffic is produced by devices ranging from the billions of tiny, wireless RFID tags increasingly used for inventory management and location control to sensors in buildings, factories, homes, or everyday objects that report or react in real time to changes in status. Additionally, says Opdendyk, as the underlying software enabling the "Internet of Things" becomes available and new sensors enable even more information to be harvested, thousands of additional reasons to connect devices to the Internet will emerge, creating a virtuous cycle of disruptive proportions.

This "Internet of Things" or the "pervasive Internet" is a new paradigm that describes a world where inanimate objects of every conceivable type - from toothbrushes and toasters to environmental monitors, motor vehicles and industrial machines - will communicate effortlessly through a network that - thanks to wireless and fiber optics - is beginning to bathe the planet.

"When data is being gathered from everywhere in real time - whether it's a farmer's field, a machine in a manufacturing facility, a stream of financial transactions, or even from your refrigerator," says Opdendyk, "it puts demands on the hardware, network, and software design that are not accommodated by current technology. The sheer scale of data involved is huge. Add to this the opportunity for creative, new applications that can feast on all of this new data, and you suddenly have a need for an entirely new set of companies to lead the revolution. It's Nirvana for VC's - a new technology application wave."

Opdendyk said that the Internet of Things has been discussed conceptually for over a decade. But the tipping point for potential investors occurred only about three years ago, as the wireless infrastructure - and devices that use it to advantage - reached critical mass. "From that point forward, investments in the sector made sense. You will see the founding of a lot of new companies in the near future," he predicts.

Opdendyk's confidence in the sector has been bolstered by four investments his firm has made in the last three years: Moteiv, a leader in providing applications and applications infrastructure for wireless sensor networks; Blue Vector, a company enabling the simple installation, configuration, and management of the new network infrastructure required between "connected things" and existing data centers and applications; Truviso, a provider of applications that can process real-time data streams from financial markets, supply chains, and sensor networks; and Syndera, a software company providing real time business intelligence leveraging streaming data.

As a result of such investments and clear technology trends, Opdendyk is convinced that information technology (IT) today must shift dramatically from sophisticated, automated versions of business processes (with roots from the industrial revolution), to an entirely new model that can handle vast amounts of data emanating unceasingly from billions of sources in real time. Since what is relevant changes from second to second, a high degree of integration between business systems, sensor control systems, data routing systems, and other IT components will be crucial to pulling real information from the noise, and acting upon it spontaneously and appropriately. In addition, new technologies for "intelligent filtering" will be important to assure that systems don't drown in the flood.

"The Internet of Things will have profound impact on every facet of IT, particularly software," adds ONSET Venture Partner Shomit Ghose. "If you were an existing enterprise software vendor, how would your application's value proposition change if it could incorporate a stream of real world feedback? How would you change your application development roadmap to take advantage of a stream of real world information? What tools will application developers need to incorporate real world, real time data flows and network topologies? Where in the IT environment would the logic reside? In a server? In the sensor network itself? Or both? These are profound questions."

So profound, ONSET believes, that a tremendous opportunity is being created for startup companies - like the early days of enterprise computing. "There is such a paradigm shift about to occur that it's *'déjà vu, all over again'*," said Opdendyk, only partially tongue-in-cheek. "Companies formed in the next few years are looking at the same magnitude of opportunity that Oracle, Microsoft, and others faced; while existing industry heavyweights, facing the 'innovator's dilemma', risk being marginalized." This, says Opdendyk, is a dramatic and positive change in the landscape for enterprise software startups - which have faced tough going in the last decade. "We are very excited about these developments," said Opdendyk, "and plan to participate aggressively in this huge market shift. We know others will join us."

ONSET Ventures

ONSET Ventures (www.onset.com) specializes in providing an ideal mix of start-up, follow-on, and intellectual capital to entrepreneurs and early-stage technology ventures, to help transform world-class ideas into sustainable and valuable businesses, through a process of "venture craftsmanship." The firm has backed over 100 companies since 1984 and now has more than \$700 million under management.

ONSET's venture craftsmanship, refined over 20 years, includes a highly-optimized tool set for risk and capital management, and a *shirt-sleeves style* of active collaboration with entrepreneurs that leverages the firm's substantial operating experience. That collaboration frequently begins before the closing of any financing, and typically continues throughout the life of the venture. This approach, which has become the hallmark of the firm, has resulted in the crafting of ventures that have consistently met their operational and financing milestones. In addition, it has resulted in a franchise that not only brings successful, serial entrepreneurs back to ONSET Ventures time and again, but also attracts investors who want the increasingly rare opportunity to participate in very early stage venture investing.

ONSET Ventures focuses exclusively on information and medical technology-based start-ups, and has a long history of successful ventures in each of these sectors.