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Kepha Partners Expands Venture Capital Fund to \$100MM

Early Stage and Value-Add “Venture Building” Firm Grows to Address Market Demand

Waltham, Mass - January 13, 2009 - Kepha Partners today announced an expansion of its venture capital fund, Kepha Partners I. Initially closed at over \$50 million, the fund was expanded to \$100 million in order to meet high demand from start-ups and institutional investors. Kepha Partners will continue the firm’s “Venture Building” program of working with entrepreneurs, often before a business plan has been written.

“We feel incredibly fortunate that investors have given us such strong support in today’s challenging economic environment,” said Kepha Partners General Partner Jo Tango. “It is a buyer’s market right now, and we expanded to meet the demand from leading entrepreneurs seeking funding and limited partners wanting to invest.”

The Kepha Partners team includes General Partner Jo Tango and CFO & General Partner Ed Hamilton. They are passionate about starting companies and have successfully and repeatedly helped entrepreneurs take companies from idea to reality. Over their 30 years of collective experience, they have worked with over 50 founding teams and have established a proven track record of being an entrepreneur’s trusted partner.

A cornerstone of Kepha’s strategy is its “Venture Building” program for advising start-ups prior to investment. The partnership typically starts engaging with entrepreneurs at the earliest stages, often before a business plan is written. In addition, the firm has helped start a number of companies in Kepha’s offices. By working with founders to refine their product development and go-to-market strategies, make key hires, and close initial deals, Kepha helps its portfolio companies establish a strong early foundation for success.

“Our operating style is entrepreneur-friendly,” said Ed Hamilton. “We aspire to be the McKinsey of venture capital. Just as Fortune 100 chief executives call on McKinsey for advice and counsel, we want to be the ‘trusted first call’ that an entrepreneur makes.”

To date, the firm has been working with some very successful serial entrepreneurs. Two of the fund’s portfolio companies involve Cheng Wu (co-founder of Azuki Systems, Inc.) and Michael Stonebraker (co-founder of ByLedge, Inc.). These two founders collectively have started 10 companies that to date have generated nearly \$8 billion of shareholder value.

Wu is a successful serial entrepreneur and well-acclaimed industry veteran, having founded and led numerous businesses spanning a range of different industries. This includes serving as the founder and Chairman of Acopia Networks (\$210 million sale), the founder and Chief Executive Officer of ArrowPoint Communications (IPO and \$6 billion sale), and the founder of Arris Networks (\$217 million sale). Wu was named to

InteractiveWeek Magazine's "Top 25 Unsung Heroes of the Internet" list in 2000 and named the Key Industry Player by Massachusetts Telecom Council in 2002.

"Serial entrepreneurs tend to have options, and we chose to work with Kepha," said Cheng Wu. "I view Kepha Partners not as an investor, but as a co-founding partner. They've engaged in all aspects of the company."

Michael Stonebraker has been a pioneer of database research and technology for more than a quarter of a century. He was the main architect of the INGRES relational DBMS, and the object-relational DBMS, POSTGRES. Stonebraker is the founder of five venture-capital backed start-ups: Ingres Corporation (IPO), Illustra Information Technologies (\$400 million sale), Cohera (sale to PeopleSoft) StreamBase Systems, and Vertica. He has also served as the CTO of Informix. In addition, Stonebraker was awarded the 2005 IEEE John vonNeumann Medal as well as the ACM System Software Award in 1992.

"I have worked with many top venture firms," added Michael Stonebraker. "Kepha Partners has been my most value-add investor."

"We are open for business," said Jo Tango. "We seek entrepreneurs with bold goals and keen market vision. We want to help them build enormous companies that truly matter."

About Kepha Partners:

Kepha Partners is a venture capital firm based in Waltham, Massachusetts. The firm partners with entrepreneurs on their early-stage ideas, often before a business plan is written. Through its "Venture Building" program, Kepha Partners advises start-ups with active hands-on participation. The firm manages \$100 million of capital. More information is available at www.kephapartners.com.

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