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Tehuti Networks and NextIO Bringing Shared I/O Technology to the 10 Gigabit Ethernet Market

Off-the-shelf Blade Servers to Share 10 Gigabit Ethernet Controllers

Austin, TX, July 11, 2006— Tehuti Networks and NextIO, Inc. today announced that Tehuti has licensed I/O virtualization technology from NextIO, which will facilitate the rapid introduction of virtual I/O into the 10 Gigabit Ethernet market and shared Ethernet into the blade market. Virtual I/O technology extends the PCI Express (PCIe) standard to allow increased performance in rack-mounted Virtual Machine applications. Shared I/O technology extends the PCIe standard to enable multiple blade servers within a blade chassis to share a single 10 Gigabit Ethernet controller, thereby significantly lowering cost and power consumption while increasing flexibility.

“We are pleased to have formed this relationship with Tehuti Networks,” said Gordon Burk, NextIO’s vice president of marketing. “Tehuti Networks has demonstrated the innovation and agility to deliver high-performance, low-power, cost-effective Ethernet solutions. We look forward to combining Tehuti Networks’ 10 Gigabit Ethernet solutions with Shared PCIe technology to enable unsurpassed blade server functionality,” Burk continued.

“Tehuti Networks is committed to meeting the needs of the server blade market. We are confident that benefits of technologies such as Shared I/O will further increase Tehuti Networks’ value proposition of true 10Gbps performance, combined with low-power and low cost to help meet data center IT professionals’ needs,” said Blaine Kohl,

Tehuti Networks' vice president of marketing. "The combination of NextIO's strategic vision, technology, and ability to execute is outstanding and we look forward to delivering Shared IO products with them," Kohl continued.

The PCI-SIG's IOV Working Group is extending the PCIe standard so that a single I/O controller can simultaneously support multiple operating systems. This ensures better bandwidth for virtual servers within a single physical server (single-root virtualization) and also allows physically modular servers, such as blade servers, to simultaneously share a single I/O controller (multi-root virtualization). NextIO is an active and contributing member of the PCI-SIG's IOV Working Group.

About Tehuti Networks

Tehuti Networks sells a family of single-chip and board-level solutions that provide true 10 Gigabit Ethernet line rate and low power for networking end point applications. These inexpensive, high performance solutions support all major OSes as well as both hardware and software virtualization schemes.

Tehuti Networks has offices in Austin, Texas; Herzelia, Israel; and Taipei, Taiwan. The company is privately held and funded by Alice Ventures, Alice Lab, Technion R&D Fund, ProSeed Venture Capital Fund, Lachman Goldman Ventures and the Chief Scientist of the Government of Israel. More information is available at www.tehutinetworks.net or info@tehutinetworks.net.

About NextIO

NextIO, Inc. is a developer of switch modules for blade servers, and *the* recognized leader in I/O virtualization and Shared I/O technology. NextIO recently demonstrated Shared Fibre Channel Modules in off-the-shelf blade chassis from two leading blade server OEMs at Microsoft's WinHEC show. These inexpensive Switch Modules replace traditional protocol specific switches and can accommodate any I/O technology or any combination of I/O technologies, including Fibre Channel, Ethernet, InfiniBand and SAS.

NextIO is based in Austin, Texas and is a privately held company funded by Adams Capital Management, Crescendo Ventures JK&B Capital, VentureTech Alliance (TSMC) and Dell. For more information visit NextIO at www.NextIO.com, email NextIO-Marketing@NextIO.com or call (512) 439-5350.

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