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TERANETICS ANNOUNCES INVESTMENT OF \$25 MILLION

Teranetics secures the resources to continue to lead 10GBASE-T commercialization

SANTA CLARA, Calif., Feb 21, 2008 – Teranetics, Inc., a leading provider of high performance Ethernet solutions, has raised \$25 Million in a private equity financing. Participants in the financing included all of Teranetics existing investors as well as strategic partner LSI Corporation (LSI). The money will be used to fund the company through the growth phase of its business plan.

Teranetics is at the forefront of 10GBASE-T Ethernet commercialization. Teranetics' TN1010 Single-chip PHY supports single and dual port Ethernet NIC implementations. In addition, the chip power and size allow 10G switch implementations to achieve the density expected for ever increasing bandwidth demands throughout the data center. With the inclusion of multi-rate 10G/1G support, the TN1010 completes the value proposition that makes the "RJ-45 jack" the connection of choice for Ethernet connectivity in the data center.

"We are excited about the market opportunities that lie ahead of us. 2008 will be a key year for deployment of 10GBASE-T networks," said Matt Rhodes, Chief Executive Officer at Teranetics. "I look forward to continuing to work closely with our customers and partners to deliver the 10G Copper networks to the marketplace."

"As a leading provider of 10G switches to the enterprise and service provider segments, Extreme understands that our customers are increasingly requiring a cost effective BASE-T option", said Douglas Murray, Vice President and General Manager at Extreme Networks (EXTR), "The Teranetics 10GBASE-T PHY technology is at right level of integration to enable a high density 10G switching solution in the core of today's datacenter."

"LSI shares Teranetics' vision for the widespread deployment of 10 Gigabit Ethernet in the data center," said Jeff Richardson, Executive Vice President of Marketing, Network and Storage Products Group, LSI. "We look forward to collaborating with Teranetics on integrated 10 Gigabit PHY custom silicon solutions for networking and storage."

About Teranetics

Led by a team with exceptional expertise and experience in the development and application of mixed-signal semiconductor solutions and digital communication technologies, Teranetics is the first company to ship 10GBASE-T transceiver silicon which is designed for next generation network applications but also maintains backwards compatibility by supporting Gigabit Ethernet and Fast Ethernet.

Teranetics is backed by a strong consortium of venture investors with in-depth experience and success in the semiconductor and data networking markets. For more information, go to www.teranetics.com.

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