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**TERANETICS ANNOUNCES APPOINTMENT OF MATT RHODES AS
CHIEF EXECUTIVE OFFICER**

*Industry Veteran to Lead Company Focused on Semiconductors
for Emerging 10-gigabit Ethernet Market*

SANTA CLARA, Calif., Aug. 7, 2006 – Teranetics Inc., a privately held company that provides next-generation, standards-based 10-gigabit Ethernet (10GbE) copper channel semiconductor solutions, today announced that Matt Rhodes has been appointed chief executive officer. Company founder, Sanjay Kasturia, was named chief technical officer.

Prior to joining Teranetics, Rhodes was president of Conexant Systems, Inc. (Nasdaq: CNXT), a publicly traded worldwide leader in semiconductor solutions for broadband communications and the digital home.

“We’re delighted that Matt chose to join Teranetics,” said Irwin Federman, a lead investor and member of the Teranetics board of directors. “He brings a wealth of industry experience to his new role, and he is intimately familiar with what is required to deliver next-generation semiconductor technologies and solutions to market. I am confident that Matt will successfully lead Teranetics into its next phase of growth.”

“Teranetics is an outstanding company, and I’m excited about being the newest member of a world-class team,” Rhodes said. “In a relatively short time, the company has firmly established itself as the pioneer and leader in 10-gigabit Ethernet, an emerging technology that enables a 10x increase in data rates over simple twisted pair copper. The Teranetics team played key roles in the committee that developed the IEEE 10GBASE-T Ethernet standard ratified in June, and is now demonstrating standards-based solutions to key customers worldwide.”

“Under Matt’s leadership, Teranetics will achieve the next level of success,” said Sanjay Kasturia. “With Matt on board, we now have a team that has both the technical knowledge and business experience to take our state of the art technologies to market winning product positions.”

Rhodes, 48, became president of Conexant in June 2003. Prior to that, he was president of the company’s Broadband Communications business. He also served as senior vice president and general manager of the company’s Personal Computing Division. Prior to joining Conexant, he was director of VLSI technology at Pacific Communication Sciences, Inc.

Rhodes received a master’s degree in business administration from the Anderson School of Management at the University of California, Los Angeles. He also holds a master’s degree in electrical engineering from Lehigh University, and a bachelor’s degree in physics from Pennsylvania State University.

About 10-gigabit Ethernet Technology

Continued growth in Internet use, higher density devices, and new high-performance services ranging from “triple-play” voice, video and data applications to networked storage and disaster recovery are fueling the need for increased bandwidth and faster transmission rates. This increased bandwidth is enabled through the development of higher-speed switches, routers and servers in enterprise, local, wide and metropolitan area networks.

10GBASE-T (IEEE 802.3an) is a next-generation, standards-based Ethernet technology that addresses these needs. Ratified by the Institute of Electrical and Electronics Engineers (IEEE) on June 8, 2006, 10GbE technology transmits at data rates of 10 gigabits per second – 10 times faster than the current gigabit Ethernet standard – on traditional twisted pair copper wiring. The use of twisted pair copper is significantly cheaper than alternatives for creating 10 gigabit per second connections such as optical fiber or Infiniband connectors. This enables corporate and service provider data centers to “mainstream” 10 gigabit per second connections and continue to scale and support

bandwidth-intensive applications while maintaining the simplicity of backward compatible “plug and play” copper cable deployment.

About Teranetics

Teranetics specializes in providing silicon solutions that enable significantly higher data rates over structured copper cabling than are currently available in today’s Ethernet world. Founded by a team with unparalleled expertise and experience in developing high-performance mixed-signal semiconductor solutions and digital communications technologies, Teranetics has the financial backing of a strong consortium of venture investors with an outstanding track record in the semiconductor and data networking sectors. For more information, visit www.teranetics.com.

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