

## **Bay Microsystems Closes New Round of Funding, Targets Global Expansion**

*New Investors, Quicksilver Ventures and W Capital Lead Latest Round of Funding for Leading Provider of High-Performance Communication Semiconductors and System Technology*

**San Jose, CA, July 26, 2007**—Bay Microsystems, Inc., the world's fastest growing network processor company, today announced the closing of its most recent round of capital funding . New institutional investors, Quicksilver Ventures and W Capital, led the financing. Bay's existing institutional investors including Selby Venture Partners, Needham Capital, Pacifica Fund, Glenbrook Capital, Crossbridge Partners and Franklin Park Investment Partners also participated in this most recent round.

As a result, the company has secured an additional 16 million dollars of capital. Bay Microsystems will direct the proceeds toward enhancing operations and continuing its global expansion. The corporate expansion is in response to overwhelming demand for Chesapeake™, Bay's industry leading 40G network processing silicon as well as it's recently introduced ABEx™ family of wide-area-network (WAN) virtualization system technology. Bay has initiated its global outreach by adding sales offices in Mainland China and expanding its representation in Korea and Japan. The company is also extending its presence in six regions across Europe, along with four regions in North America.

Bay Microsystems will also broaden its development and support capacity by adding design-centers, facilitating product development and enhancing local support for new and existing customers.

Bay's Network Processing and Traffic Management family is scalable, intelligent, and ultra-high performance. In addition to satisfying the needs of the most advanced network requirements, the company's advanced technology is ideally suited for a full range of metro and carrier Ethernet class products as well as a wide-range of multiservice provisioning platforms.

"As a believer in Bay Microsystems' vision of leading the next processor market evolution, we are delighted to help ensure that the company is equipped with the resources necessary to implement its strategy", said Randall Meals, Managing Director of Quicksilver Ventures. "I am excited to join Bay's board and assist the company in attaining market leadership."

"We wish to extend a warm welcome to Randall Meals of Quicksilver Ventures to our board of directors, and we are extremely pleased by the continued diversification of our investor base", said Charles Gershman, Bay Microsystems president and CEO. "The additional resources provided by the financing will enable us to enhance our global customer reach and support while accelerating our investment in our industry leading products."

### **About Bay Microsystems**

Bay Microsystems is one of industry's fastest growing communications companies. A recognized global leader in high-performance, programmable network processors, transport processors and WAN system technology, Bay Microsystems and its award winning products enable the delivery of converged voice, video, data and multimedia and have been deployed in mission-critical service provider, enterprise and government networks since 2003. Bay's customers include many leading government, telecom and network equipment manufacturers. For more information please visit <http://www.baymicrosystems.com/index.php>.

---

Editor Contacts:  
Ken Hagihara  
Integrity Public Relations  
+1-949-768-4423  
ken@ integritypr.net

Steve Manuel  
Bay Microsystems  
408-437-0400  
<http://www.baymicrosystems.com/>