



Press Release

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TENEROS RECEIVES SECOND ROUND FUNDING LED BY STAR VENTURES

*Series B \$17.5M Funding to Grow Sales and Marketing of Teneros Application
Continuity Appliance for Small and Medium-Sized Enterprises*

MOUNTAIN VIEW, Calif., – March 22, 2005 – Teneros, Inc., developers of the first application continuity appliance, today announced \$17.5 million in funding, led by STAR Ventures, to broaden the market adoption of the Teneros Application Continuity Appliance™ (ACA) -- a new category of appliance for business continuity, announced separately today. STAR Ventures joins existing venture partners, New Enterprise Associates (NEA) and Sevin Rosen Funds who also participated in this round of funding, bringing the total capital raised to \$24.5 million. STAR Ventures partner, Yoni Cheifetz, will join the board of Teneros. Today's investment will be used to expand sales and marketing of the Teneros appliance that brings 24x7 mission critical application continuity to small and medium-sized enterprises (SMEs) and branch offices of large enterprises.

"Over 50% of Microsoft Exchange Servers installed are in the SME market and branch offices of large enterprises," said Steve Lewis, Teneros CEO. "These customers are looking for an affordable solution to provide zero-downtime, continuous access to their mission critical applications. With today's added funding led by STAR Ventures and the addition of Yoni Cheifetz to our board of directors, Teneros is well positioned to extend our sales and marketing efforts and continue our development efforts to deliver additional products in the Teneros appliance family."

STAR Ventures partner Yoni Cheifetz, a seasoned software entrepreneur, has founded several successful software companies including Demantra and Earnix, and serves on the boards of AeroScout, Sheer Networks, Mercado, and now, Teneros.

"Teneros provides a compelling solution for the growing business continuity demand in the SME market," stated Yoni Cheifetz, Partner, STAR Ventures. "The strong executive team has the talent and experience



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to establish Teneros as a leading player in the business continuity arena and we are pleased to publicly announce our investment in them."

For more information about New Enterprise Associates, please go to <http://www.nea.com>.

For more information about Sevin Rosen Funds, please go to <http://www.srfunds.com>.

For more information about STAR Ventures, please go to <http://www.star-ventures.com>.

About Teneros

Founded in 2003, Teneros has pioneered a new product category that assures continuity of operations for mission critical Microsoft™ applications fueling corporations worldwide – the Teneros Application Continuity Appliance™. Funded by New Enterprise Associates (NEA), Sevin Rosen Funds, and STAR Ventures, the company is developing a family of extensible continuity appliances to serve the needs of the small and medium-sized enterprise (SME) market and branch offices of large enterprises. Teneros is headquartered in Mountain View, California, with offices in Seattle, Washington and Gurgaon (Delhi), India. For more information, visit www.teneros.com or call 650-641-7400. Teneros is located at 215 Castro Street, 3rd Floor, Mountain View, CA 94041.

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