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Netli Secures \$18 Million in Oversubscribed Expansion Round From Leading Investors; Investment Will Fuel Growth to Address the Rapidly Expanding Application and Content Delivery Market

PALO ALTO, Calif. --(Business Wire)-- Feb. 15, 2006 -- Netli(R), the fastest growing global service provider for accelerating applications and content over the Internet, today announced that it has raised more than \$18 million to fuel further expansion of the company. Lead investor, Granite Global Ventures, was joined in the round by all of Netli's current investors, including Alta Partners, Bessemer Venture Partners, BlueRun Ventures, Leapfrog Ventures, Morgenthaler Ventures, and Reed Elsevier Ventures.

"Netli combines all the business and technology ingredients needed for success in today's highly competitive marketplace, including an experienced, disciplined management team, patented technology and a clearly differentiated value proposition," said Scott Bonham, managing director and co-founder at Granite Global Ventures. "The company's success is highlighted by solid sustained growth, a customer list of some of the largest, most prestigious companies in the world, and customer service and delivery that has developed one of the most loyal customer bases in the market. Netli's product roadmap is poised to take advantage of the fast growing application and content delivery market while solving real business challenges for its customers."

Netli offers application acceleration and content delivery services via a managed service model to help enterprises successfully increase the performance and scale of their Web-enabled enterprises. According to Gartner, Inc., the application acceleration equipment sales market is expected to reach \$2.3 billion by 2009 (1). Riding the wave of this market growth, Netli achieved several milestones over the past year, including:

- Nearly tripling of year-over-year revenue

- Increase of customer base by 3x, which now includes the top three mobile phone suppliers, including Motorola and Samsung, two of the world's largest automotive manufacturers, including Toyota, the largest retail high-tech distributor, Ingram Micro, and the world's top wireless semiconductor company and Dell and HP

- 100 percent perfect track record for customer retention for the 2005 year
- Positioned in "Visionary" quadrant in 2005 Application Delivery Products Gartner Magic Quadrant
- Launch of the first managed service to accelerate the machine-to-machine communication underpinning web services implementations
- Introduction of a second-generation intelligent content delivery service with significant advantages over traditional CDNs
- First offer of a cross-carrier business outcome service level agreement, which guarantees the speed of delivery of end-to-end business transactions anywhere in the world regardless of the underlying carrier network
- Expansion of Netli's existing global intelligent network in China, South America, and Eastern and Southern Europe
- Receipt of U.S. Patent No. 6,820,133, "Method for High-Performance Delivery of Web Content," comprising 64 claims related to its technology

"Demand for our application acceleration and content delivery services continues to rise as the trends toward globalization, consolidation, use of service-oriented architectures and web services continues," said Gary Messiana, president and CEO of Netli. "This additional funding will support continued investment in our technology and global infrastructure, support, and marketing and sales channels, ensuring we continue to grow our technology leadership and our reputation for delivering the highest quality customer service in the industry."

Netli's patented technology and services include NetLightning(R), NetliOffload(TM), NetliContinuity(TM), and NetliView(TM). NetLightning, the company's flagship offering, delivers a business-quality Internet with global sub-second response times, high availability, and secure access to Web applications. NetliOffload is a transparent, next-generation static file and content offload service that can immediately deliver powerful advantages over other traditional content-delivery services, including enhanced security -- no need to replicate data across thousands of servers; superior performance -- no need to warm caches; and simplified administration -- no need to tag, upload, and manage content. NetliContinuity transparently enables failover, backup, or regulatory compliance for organizations with two or more data centers without having to install software or hardware devices. NetliView is a comprehensive measurement and reporting service, which enables organizations to continuously monitor the health of their business-critical, Netli-optimized applications.

About Granite Global Ventures

Granite Global Ventures is an expansion-stage venture capital firm focused on information technology and healthcare companies. The firm was founded in 2000 by four managing directors: Scott Bonham, Joel Kellman, Hany Nada, and Thomas Ng. Granite Global Ventures brings a depth of experience in investments, cross-border business development activities, mergers and acquisitions, and IPO transactions. With \$400 million under management, its investments include AAC Acoustic Technologies (HKSE:2018), Agility (acquired by JDS Uniphase), Alibaba (recently combined with Yahoo!), Hurray Solutions (NASDAQ:HRAY), SiRNA Therapeutics (NASDAQ:RNAI) and XenoPort (NASDAQ:ZNPT). Past investments include Kintana (acquired by Mercury Interactive), NetScaler (acquired by Citrix), Oculex (acquired by Allergan), and P-Cube (acquired by Cisco Systems).

Granite Global Ventures (www.ggvc.com) has offices in Menlo Park, CA, Shanghai, and Singapore.

About Netli

Netli is the fastest growing global service provider for accelerating applications and content over the Internet -- enabling global eBusiness from centralized infrastructure. Netli provides network infrastructure as a service, on-demand optimization of application and content delivery while shifting bandwidth, computing, and storage requirements to Netli infrastructure. The result is better utilization of capital budgets and resources by transferring the cost, risk, complexity and management overhead of delivering enterprise-scale Web applications and content to Netli. The world's three biggest mobile phone suppliers, the largest technology reseller, the largest beauty products company, the two largest computer manufacturers, and the top two import auto manufacturers trust Netli for their application acceleration and content delivery needs. The company is headquartered in Palo Alto, California.

(1) Gartner Dataquest, Forecast: Application Acceleration Equipment, Worldwide, 2004-2009 (Executive Summary), publication date: 21 June 2005

(2) Gartner Research, Magic Quadrant for Application Delivery Products, 2005, publication date: 20 December 2005

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