



Press Release

www.sensorynetworks.com
info@sensorynetworks.com

SENSORY NETWORKS ANNOUNCES US\$10M FINANCING LED BY THE INDIVIDUALS' VENTURE FUND AND THE XILINX TECHNOLOGY GROWTH FUND.

PALO ALTO, Monday, 10th October 2005: Sensory Networks Inc., the leading developer of hardware acceleration technology for network security applications, today announced that it has successfully closed USD \$10M in new financing led by the Individuals' Venture Fund and the Xilinx Technology Growth Fund. Existing investors Deutsche Bank Capital Partners Ericsson Deutsche Technology Fund, JAFCO Investment (Asia) and Technology Venture Partners also participated in the round.

The funds will be used to expand Sensory Networks' rapidly growing sales activities in the North American, Asia-Pacific and European markets. By establishing a comprehensive ecosystem of application partners and appliance partners, Sensory Networks is changing the way companies build network security products. Sensory Networks' NodalCore® acceleration technology enables developers of next generation network security products to protect today's high-traffic networks by maintaining wire-speed performance without sacrificing accuracy or threat coverage. The NodalCore® Security Processing Unit (SPU) is a 64-bit dedicated processor designed for high-speed scanning, analysis and classification across a wide range of security applications including Antivirus, Antispyware, Antispam, Intrusion Detection/Prevention and Content Filtering. Combined with Sensory Networks' comprehensive suite of accelerated software libraries, commercial security applications and development tools, products built with NodalCore® can be rapidly brought to market with low risk and low cost.

"Sensory Networks is very well positioned as the provider of leading network security acceleration technology in this large and rapidly accelerating market segment," said Roger Barry, Managing Partner for the Individuals' Venture Fund. "We are excited to be working with Sensory Networks as they expand their sales activities with tier-1 vendors globally."

"We are very excited to be working with both the Individuals' Venture Fund and Xilinx", said Matt Barrie, Chief Executive Officer of Sensory Networks. "IVF's tremendous experience in guiding rapidly growing companies, coupled with Xilinx's market and technology leadership in programmable logic – the underlying enabling technology for our NodalCore® products- make an ideal combination of investors as we take Sensory Networks to the next stage in growth".

Sensory Networks has upgraded its US headquarters into larger premises. The new address is 2595 East Bayshore Road, Suite 200, Palo Alto CA, 94303.

About Sensory Networks

Sensory Networks is a leading provider of higher performance, more accurate, deeper coverage network security processor technology. Sensory Networks is an OEM licensing company producing a range of platforms and accelerators for Antivirus, Antispyware, Antispam, Content Filtering, Firewall and Intrusion Detection/Prevention Systems, based on the company's patent pending NodalCore® Security Processor technology. Sensory Networks is headquartered in Palo Alto, California with regional offices in London and Beijing, and performs research and development through its facilities in Sydney, Australia. For more information, visit www.sensorynetworks.com or contact:

Media Contact

Shaneen Goel
SHIFT Communications for Sensory Networks
P: (415) 591 8413
sgoel@shiftcomm.com

NOTE: Sensory Networks® and NodalCore® are registered trademarks of Sensory Networks incorporated.

About The Individuals' Venture Fund

IVF, founded in 1994, is a venture capital firm that focuses primarily on leading investments in mid-stage information technology companies. IVF partners have over 25 years of venture capital experience and have invested in over 100 private companies. IVF has a successful track record of leading or co-leading mid-stage financings of \$10 million or less. Additionally, IVF specializes in providing liquidity to entrepreneurs. For more information, visit www.indventurefund.com.

Corporate Headquarters

Sensory Networks, Inc.
2595 East Bayshore Rd, Suite 200
Palo Alto, California, 94303
UNITED STATES OF AMERICA
Phone: +1-650-292-4636
Fax: +1-650-618-2769

European Headquarters

Sensory Networks UK
2-3 Westbourne Grove Mews, Office 1
Notting Hill, London, W11 2RU
UNITED KINGDOM
Tel: +44 (0) 20 7792 7920
Fax: +44 (0) 20 7900 2107

Asia Pacific Headquarters

Sensory Networks Pty. Ltd.
Level 6, 140 William Street
East Sydney NSW 2011
AUSTRALIA
Phone: +61-2-8302-2700
Fax: +61-2-9475-0316



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About Xilinx

Xilinx is the worldwide leader in programmable logic solutions. For more information, visit www.xilinx.com.

About JAFCO Investment (Asia)

JAFCO Investment (Asia Pacific) Ltd. ("JAFCO Asia") is a leading venture capital firm investing in promising technology enterprises with high-growth potential in the Asia-Pacific region. Incorporated in Singapore in 1990 as Nomura/JAFCO Investment (Asia) Ltd., JAFCO Asia had managed in aggregate more than US\$750 million in funds with a track record of over 270 portfolio companies and over 167 exits, of which 71 have been publicly listed. JAFCO Co. Ltd. ("JAFCO"), our listed parent company, is the pre-eminent Japanese venture capital manager with more than US\$2.5 billion committed capital worldwide. Nomura Group, JAFCO's largest shareholder, is Japan's largest securities house with 129 domestic branch offices and overseas network that combines offices in 28 countries. For more information, please visit <http://www.jafcoasia.com>.

About DB Capital Partners, Deutsche Bank Group

DB Capital Partners is Australia's largest manager of private equity (according to the Australian Venture Capital JOURNAL October 2003) and is responsible for more than \$1.6 billion in funds, including infrastructure, on behalf of the clients of Deutsche Asset Management (Australia) Limited and Deutsche Bank itself. The DB Capital Partners team of more than 20 investment specialists is also Australia's most experienced. The team has the capacity to invest from \$2 million to over \$50 million across all industry sectors. For more information, please visit <http://www.dbcapitalpartners.australia.db.com>.

About Ericsson-Deutsche Technology Fund

Ericsson-Deutsche Technology Fund (EDTF) is managed by DB Capital Partners, the Private Equity division of Deutsche Asset Management (Australia) Limited. EDTF has been established to take advantage of the explosion in technological innovation and the creation of a new economy for today's businesses. The Fund is focused on the growth and convergence of the information technology and the telecommunications sectors. For more information, please visit <http://www.edtf.australia.db.com>.

About Technology Venture Partners

Technology Venture Partners (TVP) is one of Australia's largest privately owned specialist IT&C fund managers, with over \$200 million under management and investments in more than 20 Australian technology companies. Formed in 1997, TVP provides venture capital for Australian technology companies, at any stage of company development from start-up to expansion or pre-IPO. TVP has a team of 5 investment professionals and a specialist capability in early stage IT&C investing. The TVP team has a unique blend of industry entrepreneurial, management and technical expertise. For more information, please visit <http://www.tvp.com.au>.

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