



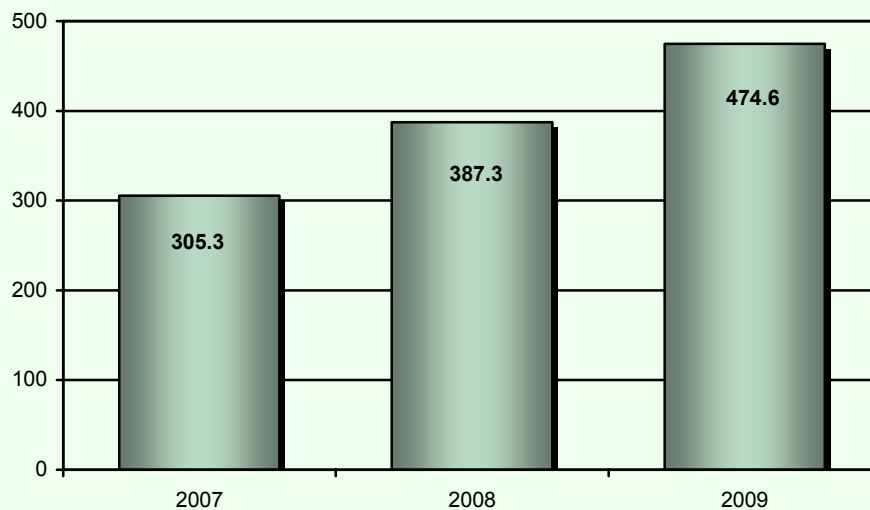
PRESS RELEASE

Merchant ATCA CPU Blade Shipments Exceed Previous VDC Forecast

Natick, Massachusetts – May 20, 2008 – VDC has released the 2008 edition of its research on Slot Single Board Computers in Volume 1 of VDC's *Merchant Computer Boards for Embedded/Real-Time Applications Intelligence Program, 2008*. The base year data for 2007 from this research indicates that the actual 2007 dollar volume shipments of ATCA CPU blades exceeded VDC's previous forecast for 2007, which was published in 2006 based on year 2005 data.

ATCA CPU Blades, Current and Projected Markets, 2007-2009
(US\$ in Millions)

2007-2009 CAGR: 24.68%



It appears that ATCA may finally have achieved critical mass given that the actual 2007 market value of US\$ 305.3 million – materially higher than VDC's 2007 forecast developed in Q3 2006.

The newly released VDC forecast for ATCA CPU Blades projects growth for the years 2008, 2009, and 2010 that is modest relative to ATCA's recent rapid growth amid fears that the current problems in credit and financial markets will adversely affected the communications industry – ATCA's primary market. VDC expects that some previously planned "greenfields" deployments may be delayed.



ATCA growth will not be completely halted with dollar volume shipments of ATCA CPU blades forecast to grow 26.9% from 2007 to 2008, but this will be at a slower pace than this emerging market has moved in the recent past. Growth is projected to be 22.5% and 17.5% from 2008 to 2009 and 2009 to 2010 respectively. Higher growth is forecast to return with a 25.7% projection for 2010 to 2011 year over year.

“Exceeding a collaboratively developed market forecast is a very important and positive development for the ATCA market. This market is finally beginning to gain critical mass as the major suppliers have built scale. ATCA continues to become more and more entrenched in I/O intensive applications deep in the telecom/datacom network core,” said Eric Heikkila, Director of VDC’s Embedded Hardware and Systems Practice. “The year-over-year growth rates projected in our latest ATCA CPU blade forecast are not the exorbitant rates often associated with ATCA in the past, but rather are very realistic and still impressive double-digit growth rates for a market segment that is built on improving time-to-market and fulfilling cost containment requirements for Tier I, II, and III NEPs.”

The majority of 2007 ATCA CPU blades shipments were consumed in communications applications in the core of the network. Smaller shares were also consumed in edge/access communications applications and military/aerospace applications respectively.

ABOUT VDC

Venture Development Corporation (VDC) is a technology market research and strategy consulting firm that advises clients in a number of industrial, embedded, component, retail automation, RFID, AIDC, datacom/telecom, and defense markets. Using rigorous primary research and analysis techniques, the firm helps its clients identify, plan for, and capitalize on current and emerging market opportunities. We strive to deliver exceptional value to our clients by leveraging the considerable technical, operational, educational and professional experience of our research and consulting staff. During our nearly four decades of ongoing operation, we have had the pleasure of serving most of the world’s leading technology companies, many high-profile start-ups, and numerous blue-chip early and later stage investors. Our products and services consist of research reports, annual research programs, and custom research and consulting services. Founded in 1971, the firm is located in the Boston area. Please visit our Web site at www.vdc-corp.com to learn more.

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