

**Rim Semiconductor's Cupria™ technology
"Apples and Dells" ahead of the competition**
Part 1 & 2

August 17, 2006

Interview with Brad Ketch, President of Rim Semiconductor

Tick Tock: "Yesterday, Rim Semiconductor announced that Telcordia, the premier testing laboratory for the US telecommunications industry, has provided third party confirmation of the capabilities of Rim's Cupria™ transport processor.

Dr. Kenneth Kerpez, senior scientist at Telcordia, commented, "I was impressed with the scope of Rim Semiconductor's Embarq solution. We found that their technology offers multiple fields of innovation, offering significant improvement in both the amount and quality of bandwidth that can be carried over copper. Due to these *breakthrough* performance gains, telcos now have a cost-effective way to meet their business goals including deployment of triple play broadband services."

Tick Tock: Brad, the fact that Dr. Kerpez, one of Telcordia's senior scientists, gave the technology such a glowing review appears to be a huge endorsement for Rim as a major telecommunications equipment provider. Would you comment?

Brad: From the beginning, we felt it critical to be accurate in our claims regarding the technology's capabilities. Based on the challenge that telcos have experienced in developing triple play solutions, and the fact this technology is such a breakthrough, we expected they (the telcos) would be skeptical and have questions. In order to gain credibility, we felt it was important to have product capability confirmed by Telcordia.

Tick Tock: Telcordia concluded that Rim's technology is capable of exceeding VDSL2 by 40% to more than 100%.

What does that mean, exactly?

Brad: Our transport technology can move up to 40% more data across a copper wire at a given distance than current VDSL 2 technologies. There are also distances where our advantage is much greater than 100%. At all points in between, we enjoy an advantage.

Tick Tock: Dr. Kerpez could have simply stated the test results. Why do you think he went so far as to state that the technology was the triple play solution for which telcos have searched?

Brad: Though it is still being debated, it is fairly well understood in the telecommunications industry that the VDSL 2 standard, as it exists today, is not up to the task. Our view that VDSL 2 is a failed standard is shared by many in the industry. VDSL 2's reach and quality is not up to par. VDSL 2 was supposed to provide the triple play solution. Industry experts predicted that by now VDSL 2 would have widespread deployment in the marketplace. The truth is, and for the reasons

previously mentioned, there is limited deployment. VDSL 2 simply has not provided the solutions the telcos anticipated. I can point out to you a couple of industry articles discussing these problems including lack of adequate reach, and too much jitter and delay in their transport to support HDTV. In comparison, our design is solving these problems head-on.

You see, the design of VDSL 2 is built around previous standards. Some of these standards are fifteen to twenty years old. The VDSL 2 standard is the assumption our competitors have taken in designing their chipsets. As result, all of our competitors have similar capabilities. Our chipsets, on the other hand, are not based on the VDSL 2 standard. Our chipsets are based on modalities that exceed the VDSL 2 standard in capability. We therefore have more and different capabilities. These unique capabilities are letting us position Cupria™ as the premier transport solution, and command premium pricing.

It might help your readers to think of the Wintel vs. Apple situation a few years ago. (We realize that this analogy no longer applies to Apple, but it still illustrates my point.) For instance, what is the difference between a Compaq computer and a Dell computer? Answer, very little. They both use similar standards (processors) and therefore have similar capabilities. Now, what is (was) the difference between either of them and Apple computer? Answer, a whole world of difference! The Apple computer has a completely different processor and therefore has greater capabilities. Because all our competitors have built their chip sets on VDSL 2 standards, just like Compaq and Dell, they all have similar capabilities. But because our technology's design is based on a standard other than VDSL 2 (like the Apple) our capabilities exceed those of our competitors. As result, we at Rim are hiring top software designers in order to deliver our superior transport capabilities. In fact, because we are regularly discovering new capabilities for the technology, we do not yet fully know how our company/technology will evolve in the years to come.

Tick Tock: The Telcordia performance announcement appears to be a coming out party of sorts for Rim's Cupria™ family of transport processors. With Telcordia's blessing, Rim has positioned itself to enter the US market in a big way! This is significant because to date, with only limited US deployment of VDSL 2, Rim is entering an arena no other Telecom equipment manufacturer has had game to enter, the mainstream US market place.

In our next segment, we will continue our conversation with Brad Ketch, President and CEO of Rim Semiconductor. We will also explore some of the challenges encountered in VDSL 2 deployment and look to the future of the Cupria™ family of transport processors.

"Wintel" definition

<http://www.webopedia.com/TERM/W/Wintel.html>

Sonoma State University Engineering lecture/Telcordia (slides 11-16)

http://www.sonoma.edu/engineering/courses/CES592_files/CES592Fourthlecture4-September21.ppt

Juniper Networks partners with Telcordia

<http://www.juniper.net/company/presscenter/pr/2003/pr-030414.html>

