

DAILY DEAL

T-RAM lands \$35M round

by Katherine Goncharoff Posted 06:00 EST, 20, Jun 2002

T-RAM Inc., a developer of advanced memory, semiconductor technology for networking equipment as well as high end computers, has closed on a \$35 million, second round of venture capital funding led by New Enterprise Associates and an unnamed strategic corporate investor.

Mayfield partner David Ladd, who has led his own firm's investment of about \$8 million to date in T-RAM, said this latest financing lifts the 2-year-old firm's total funding past the \$46 million mark.

Ladd said the post-round valuation of the San Jose, Calif.-based startup was on the order of \$107 million.

"This was definitely an oversubscribed, competitive deal where we were sorry to have to turn some investors away," said Ladd. "But as an early investor, we encouraged the company to work with NEA, a firm we like to do business with."

Other participants besides Baltimore-based NEA in the quickly-completed round, which took no more than three months to wrap up, included previous investors Mayfield and US Venture Partners, both of Menlo Park, Calif., and Palo Alto, Calif.-based Tallwood Venture Capital.

The entire VC investor group holds just above 50% of the startup's total equity.

With this funding, NEA partner Forest Baskett joins the company's board of directors.

Wilson Sonsini Goodrich & Rosati offered T-RAM legal counsel on the deal.

T-RAM is touting a proprietary technology first developed at Stanford University that employs what are known as thyristors, a semiconductor device that can speed up memory performance at lower cost.

In addition, the T-RAM platform aims to combine the best features of two separate and distinct semiconductor designs.

"We offer the high performance and speed capabilities of static random access memory along with the density of dynamic random access memory," said T-Ram chief executive Kenneth Young.

He noted that venture capitalists with expertise in the semiconductor field became interested in the firm quickly when they realized that T-RAM was aiming to offer a disruptive design for high-end memory chips, a product that serves a large, multibillion dollar market on a global basis.

"We view their technology as a fundamental breakthrough in memory design," Ladd said.

To his knowledge, he said, the last notable advance in memory design occurred 10 to 15 years ago with the introduction of flash memory.

T-RAM will use the new funding for development purposes, for staff expansion and to develop its first product, which should be ready for market by mid-2003, according to Young.

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