

## RHYTHM NEWMEDIA CLOSES \$18 MILLION SERIES B FINANCING LED BY THE CARLYLE GROUP

**Mountain View, CA, October 30, 2006** —Rhythm NewMedia, a pioneer in mobile advertising, announced that it has closed \$18 million in Series B financing. Carlyle Venture Partners, the US venture and growth arm of The Carlyle Group, a global private equity firm with over \$44 billion under management, led this up round, joined by all existing institutional investors. Allan Thygesen, a Carlyle Managing Director, has joined the Rhythm NewMedia board of directors, joining existing investors Gary Little from Morgenthaler Ventures and Chris Schaepe from Lightspeed Venture Partners.

Rhythm was seed funded by Rembrandt Venture Partners. Lightspeed and Morgenthaler co-led the Series A in July 2005.

“We have followed Rhythm carefully since our first meeting last fall, and are very impressed with how they have translated early thought leadership into market leadership in mobile video advertising” said Allan Thygesen, Managing Director at The Carlyle Group. “With 3G network rollouts completed and 3G handsets becoming the mainstream feature phones, our dialogue with carriers demonstrated that the next phase of mobile video will be partially or completely advertising financed. We are delighted to support the outstanding management team at Rhythm as they begin large scale commercial deployments with leading operators.”

Chief Executive Officer Ujjal Kohli said, “Rhythm has demonstrated its technology and business model over the last 15 months with successful trials in the US and in Europe. Commercial launches are now in the works. We are fortunate to now have the support of The Carlyle Group, with its unparalleled global capabilities. This new capital will allow Rhythm to rapidly expand our product offering and expand into new markets.”

### **About The Carlyle Group**

The Carlyle Group is a global private equity firm with \$44.3 billion under management. Carlyle invests in buyouts, venture & growth capital, real estate and leveraged finance in Asia, Australia, Europe and North America, focusing on aerospace & defense, automotive & transportation, consumer & retail, energy & power, healthcare, industrial, technology & business services and telecommunications & media. Since 1987, the firm has invested \$22.4 billion of equity in 528 transactions for a total purchase price of nearly \$94.6 billion. The Carlyle Group employs more than 680 people in 16 countries. In the aggregate, Carlyle portfolio companies have more than \$68 billion in revenue and employ more than 300,000 people around the world. [www.carlyle.com](http://www.carlyle.com)

### **About Lightspeed Venture Partners**

Lightspeed Venture Partners combines extensive venture capital and operating experience to assist entrepreneurs in creating industry-leading technology companies. Lightspeed manages \$1.3 billion of committed capital and focuses on early stage information technology investments in the US, Asia and Israel. The firm's partners have invested in more than 100 technology companies over the past two decades and have

contributed to the success of market leaders including Blue Nile, Brocade, Ciena, Doubleclick, eHealth, Galileo Technology, Growth Networks, Informatica, Kiva Software, LightLogic, Maker Communications, Metasolv, Phone.com, Quantum Effect Devices, Riverbed, Sirocco, Transmeta, Virsa and Waveset.

[www.lightspeedvp.com](http://www.lightspeedvp.com)

### **About Morgenthaler Ventures**

Morgenthaler is a leading venture-capital and buyout firm with offices in Boston, MA; Boulder, CO; Cleveland, OH; Menlo Park, CA; and Princeton, NJ. The firm has approximately \$2.5 billion under management and has funded more than 250 companies over its 38-year history. Its IT team has made a number of investments in Internet consumer services, new media, and wireless companies, including Rhythm New Media, NexTag, SNOCAP, ORB Networks, IGA Worldwide, imeem, Digital Railroad, Peregrine, Paratek, Crossbow, and Intelliflex. For more information about Morgenthaler and its portfolio companies, please visit:

[www.morgenthaler.com/ventures/default.asp](http://www.morgenthaler.com/ventures/default.asp)

### **About Rembrandt Venture Partners**

Rembrandt Ventures, established in 1997, is a private equity venture fund which targets investments in seed/early stage and expansion stage high technology companies. The Rembrandt team combines our extensive venture capital and operating experience to assist entrepreneurs in creating industry-leading technology companies. Collectively, Rembrandt and its Principals have assisted in the formation and financing of more than sixty companies resulting in 12 IPOs and 19 acquisitions where the partners were either active investors or founder/executives. For additional information, visit:

[www.rembrandtvc.com](http://www.rembrandtvc.com).

### **About Rhythm NewMedia**

Rhythm is a company enabling [ad-supported mobile media](#), end-to-end. Rhythm's solution is designed to support advertising on mobile video, WAP/HTML, mobile search, and mobile messaging. Rhythm's technology enables advertising that has broad reach, sharp targeting and precise [frequency management](#). Rhythm automates key business processes and enables [measurement](#) and [reporting](#) to each member of the mobile advertising value chain. Rhythm is currently working with leading mobile operators, brands, content providers and advertising agencies worldwide.

[www.rhythmnewmedia.com](http://www.rhythmnewmedia.com)

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