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New funding sets the stage for high-volume manufacturing of thin-film thermoelectric devices...

NEXTREME RAISES \$13 MILLION IN SERIES B FINANCING

DURHAM, N.C. (August 6, 2008) — Nextreme Thermal Solutions, the leader in microscale thermal and power management products for the electronics industry, today announced securing \$13 million in Series B financing. The round was led by Chart Venture Partners and included previous investors Redshift Ventures, Harris & Harris Group, Inc., In-Q-Tel and RTI International as well as Japan-based ITOCHU Corporation (JP:8001) and ITOCHU Technology Ventures, Inc. The funding will be used to ramp Nextreme's products into full production in 2009 in response to demand from the photonics and military markets, and to develop new products for the computing, consumer and mobile markets.

Nextreme is focused on solving the thermal issues that are becoming more widespread in the electronics industry. As an example, a major producer of graphics processors said recently that some of its notebook-use graphics chips failed because the packaging materials could not withstand the "extreme thermal environments" brought about by a combination of inadequate thermal management and frequent power cycling seen in notebook computers. This environment is particularly challenging for complex graphics processors. The company will take a one-time charge of \$150M-\$200M during its second quarter (2008) to resolve the problem with its customers.

"There are very few breakthrough innovations in the market today addressing these industry-wide thermal issues," said Ted Hobart, partner with Chart Venture Partners (CVP). CVP is a \$100M early stage venture capital fund investing in security-related technologies with government and commercial applications. "Nextreme is managed by an accomplished start-up team and offers a highly differentiated technology backed by a very strong intellectual property position."

Nextreme began shipping its first product in October of 2007 and recently brought up production in a new facility.

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"We are very pleased with where we are now positioned," said Jesko von Windheim, CEO of Nextreme. "We are seeing strong interest in the OptoCooler UPF4 and UPF40 products and anticipate design wins in the telecom industry this year. With financing in place and production up and running, we can concentrate fully on making that happen."

Extremely Thin Thermoelectrics

Nextreme's thin-film thermoelectric products are manufactured in volume with the [Thermal Copper Pillar Bump](#) process, an established electronic packaging approach that scales well into large arrays. The Thermal Copper Pillar Bump process integrates thin-film thermoelectric material into the solder bumped interconnects that provide mechanical and electrical connections for today's high performance/high density integrated circuits.

"Customer adoption is always a risk for a new product," said Kristin Abkemeier, Ph.D., analyst at [Lux Research, Inc.](#), in the August 11, 2008 *Lux Research Nanomaterials Journal*. "Enabling it to be incorporated into existing designs with as little change as possible is a good strategy for getting through the customer's front door - and inspiring further redesigns later on. Companies that have bumped up against performance limitations due to thermal management issues should engage with Nextreme to find a possible way to sidestep these issues."

In addition to the \$13M Series B funding, Nextreme raised \$14M in Series A financing ending in 2007.

For more information, contact Nextreme at 3908 Patriot Dr., Suite 140, Durham, NC 27703-8031; call (919)-597-7300; e-mail info@nextreme.com; or go to www.nextreme.com.

About Nextreme Thermal Solutions™, Inc.

Nextreme Thermal Solutions designs and manufactures microscale thermal and power management products for the semiconductor, photonics, consumer, automotive and defense/aerospace industries. The company has embedded cooling, temperature control and power generation capabilities into the widely accepted copper pillar bumping process used in high-volume electronic packaging. Nextreme's breakthrough addresses the most challenging thermal and power management constraints in electronics today, and delivers the only fully-scalable technology solution by leveraging the existing, high-volume flip chip manufacturing infrastructure. By minimizing the need for manufacturing changes and focusing on developing a seamless design-in solution, Nextreme will change the future of thermal and power management for the entire electronics industry.

Nextreme is managed by an experienced start-up team and world-renowned experts in electronic packaging, thermal management and pillar bump technology. The company has 38 employees and is based near Research Triangle Park, North Carolina.

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Additional Resources

[Chart Venture Partners](#)
[Harris & Harris Group, Inc.](#)
[In-Q-Tel](#)
[Itochu Corporation](#)
[Lux Research, Inc.](#)
[RTI International](#)
[RedShift Ventures](#)

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