SVB Financial Group

Yipes Enterprise Services Secures $17.5 Million in Funding to Accelerate Growth Plans

Funds Earmarked for Further Market Expansion, New Product R&D

San Francisco, California – June 1, 2006: Yipes Enterprise Services, Inc. today announced it has completed its fourth round of funding for $17.5 million, including a $9 million line of credit from SVB Silicon Valley Bank and additional Series D funding of $8.5 million from existing Yipes investors, Crosslink Capital, Norwest Venture Partners, JPMorgan Partners, LLC and Sprout Group, a venture capital affiliate of Credit Suisse. In total, Yipes has raised $106 million in equity since July 2002.

Yipes (www.yipes.com), the leading global provider of managed, end-to-end Ethernet solutions for enterprise customers, said the funding will be used to accelerate the Company's pace of expansion into new markets, as well as for the development of new products. As announced in February, Yipes posted its best financial performance ever, becoming EBITDA positive (Earnings before Interest, Taxes, Depreciation and Amortization) during 2005 and crossing the 700-customer threshold.

"According to our research, Yipes is among the leading Ethernet service providers in the United States," said Erin Dunne, director of research at Vertical Systems Group. "Yipes is clearly an innovator in the Ethernet services industry and is uniquely positioned with its experience, technology and service level guarantees to address the requirements of medium to large business customers."

With the ability to self-fund ongoing operations, the Company indicated it plans to use the funding to aggressively pursue emerging opportunities in the market. According to Infonetics, an international market research and consulting firm, Worldwide Ethernet services revenue is forecasted to increase 280% between 2005 and 2009 to $22.5 billion. The Yipes network has more than 14,000 fiber route miles and reaches most major cities in the U.S. Yipes' global presence includes an expanding commitment to the U.K., Europe and the Pacific Rim, including current locations in London, Tokyo and Hong Kong.

"The fastest growing segment in the telecommunications industry is Ethernet services and Yipes is at the center of this momentum. We're enthusiastic about the Company's unique value proposition, rapid growth and customer acquisition success, and we only see this trend continuing," said Promod Haque, chairman of Yipes and managing partner, Norwest Venture Partners. "Yipes isn't being held back by the legacy network infrastructure that has become a burden to its competitors, and we believe this will enable the company to capture even more market share."

During the past three years, Yipes has more than tripled its customer base to include global, high-growth enterprises. Yipes has been particularly effective growing its presence within the financial services community and currently serves more than 300 blue-chip institutional investors, brokerages, exchanges, money managers and banks. The Company was also named 2005 Service Provider of the Year for Outstanding Innovation by the Metro Ethernet Forum.

"Today's Yipes is a market leader, an industry innovator and a financially strong organization with momentum in one of the fastest growing markets anywhere – enterprise Ethernet services," said John Scanlon, chief executive officer of Yipes. "This round of funding gives us the resources to aggressively pursue the many opportunities we see emerging globally. We have demonstrated to our investors and our customers that Yipes is unique in the marketplace, and we look forward to building on that success as we move into our next phase of growth."

"Yipes pioneered this industry more than six years ago," said Tim Walsh, senior relationship manager with SVB Silicon Valley Bank. "With a solid track record of success and considerable demand for its services, it makes sense for Yipes to pursue the debt markets to fund its growth. Silicon Valley Bank is pleased to extend to Yipes its first debt facility."

About Yipes Enterprise Services, Inc.
Winner of the Metro Ethernet Forum 2005 Service Provider of the Year Award for Outstanding Innovation, Yipes Enterprise Services, Inc. is the leading global provider of managed, end-to-end Ethernet solutions for enterprise customers. Yipes offers a uniquely scalable suite of networking services that combine the speed, simplicity and cost effectiveness of native Ethernet with Yipes proprietary bandwidth-on-demand functionality. Yipes provides services in and between major metropolitan markets including: Boston, Chicago, Dallas, Denver, Hong Kong, Houston, Los Angeles, London, Miami, New York, Philadelphia, San Diego, San Francisco, San Jose, Seattle, Tokyo and Washington DC. For more information, visit www.yipes.com.

About Crosslink Capital
Since 1989, Crosslink Capital, headquartered in San Francisco, California, has invested in growth equities through venture capital, hedge funds and crossover funds. The current venture fund (the firm's fourth) is a $240 million fund formed in 2000. Currently, its venture investing activities are focused on the software, core technology/semiconductor and business services industries. Crosslink Capital invests in very early, seed stage financings all the way through later-stage private opportunities

and into the public market. This strategy allows Crosslink Capital to remain a long-term partner to its portfolio companies. Crosslink Capital was the first venture capital firm in the U.S. to integrate public and private technology investing. To learn more about Crosslink Capital visit http://www.crosslinkcapital.com.

About Norwest Venture Partners
Norwest Venture Partners (NVP) is a global venture capital firm that has actively partnered with entrepreneurs to build great businesses for more than 45 years. NVP focuses on investments in information technology including: semiconductor and components, enterprise and communication systems, software, services, consumer Internet and media. The firm currently manages more than $2.5 billion in venture capital out of its office in Palo Alto, California, USA.

NVP has funded over 400 companies since inception. Recent NVP transactions include Airespace (acquired by Cisco Systems), Resonext Communications (acquired by RF Micro Devices), Spinnaker Networks (acquired by Network Appliance) and Winphoria Networks (acquired by Motorola). NVP has also funded such market leaders as Actel Corporation, Brocade Communications, Brooks Fiber Properties (acquired by WorldCom), Cerent (acquired by Cisco Systems), Documentum, Extreme Networks, Forte Software (acquired by Sun Microsystems), OneComm Communications (acquired by Nextel), PeopleSoft, Tivoli Systems (acquired by IBM), Transit Communications (acquired by Nextel) and Verio (acquired by NTT Communications). Additional information on Norwest Venture Partners is available at www.nvp.com.

About JPMorgan Partners
JPMorgan Partners, LLC ("JPMP") is a leading private equity organization. Its primary goal is to build a diversified portfolio of investments in middle-market buyouts, growth equity and venture in the United States and Europe, and across its five core industry segments. JPMP complements this strategy with focused efforts in emerging markets in Latin America and Asia. Gluing this strategy together is the global integrated network, which enables JPMP to draw on expert resources residing within JP Morgan Chase, its extensive portfolio, and worldwide contact network to source attractive opportunities and manage its investments.

As of December 31, 2004, JPMP has approximately $13 billion in capital under management. With approximately 95 investment professionals, JPMP invests globally through six principal offices. JPMorgan Partners is the private equity arm of J.P. Morgan Chase & Co., a leading global financial services firm with assets of $1.1 trillion and operations in more than 50 countries. Other prominent institutions and individuals are also investors in JPMP.

About the Sprout Group
A venture capital affiliate of Credit Suisse First Boston, the Sprout Group is one of the oldest and largest sources of private equity capital for growing companies. Established in 1969 as a venture capital affiliate of Donaldson, Lufkin & Jenrette, it has managed 12 major investment partnerships totaling more than $3.5 billion in committed capital.

Sprout is one of the few venture firms in the country affiliated with a leading investment bank. This unique relationship provides it with access to a broad spectrum of resources and complements the firm's activities as a venture capital investor.

Since raising its first venture fund of $12 million more than 30 years ago, Sprout has invested in more than 350 companies whose combined revenues now exceed $50 billion. Its current fund, Sprout Capital IX, L.P., totals $1.1 billion.

About SVB Silicon Valley Bank
SVB Silicon Valley Bank, a member of global financial services firm SVB Financial Group, provides commercial banking services to emerging growth and mature companies in the technology, life science, private equity and premium wine industries. Through its focus on specialized markets and extensive knowledge of the people and business issues driving them, SVB Silicon Valley Bank provides a level of service and partnership that measurably impacts its clients' success. Founded in 1983 and headquartered in Santa Clara, Calif., the company serves clients around the world through SVB Financial Group's 27 U.S. offices and three international operations. More information on the company can be found at www.svb.com. (SVB Silicon Valley Bank refers to the commercial banking operation of SVB Financial Group, which includes Silicon Valley Bank, the California bank subsidiary of SVB Financial Group.)

# # #

Contact:
Keao Caindec
Chief Marketing Officer
Yipes Enterprise Services, Inc.
415 901 2203 phone
kcaindec@yipes.com