

SkyPilot Networks Announces \$21 Million Financing August Capital's Dave Marquardt Leads Round and Joins Board

Santa Clara, July 11, 2006 - SkyPilot Networks, the leading provider of carrier-class broadband wireless mesh networks, announced a \$21 million round of funding that will fuel its growth as the technology leader in the municipal Wi-Fi market. Primary use of the funds will be to continue to expand sales, marketing, engineering and customer service efforts for its growing customer base. August Capital, whose partners are well known for active investments in Adaptec, Atheros, Cobalt Networks (Sun), Grand Junction (Cisco), Microsoft, Seagate, Silicon Image and Sun Microsystems, will lead the financing. Current investors joining August in the round include Mobius Venture Capital, INVESCO Private Capital, Palo Alto Investors, Nexit Ventures and Selby Venture Partners. With this investment, SkyPilot's funding since inception now totals \$68 million.

"As part of the financing, Dave Marquardt, co-founder of August Capital, has joined SkyPilot's board of directors. Dave joins board members Greg Galanos, managing director, Mobius Venture Capital and Bob Machlin, president and CEO of SkyPilot. Dave has served on more than 25 boards of directors during his 20 year venture capital career and is well known for being the only outside investor in Microsoft where he remains a director after 25 years.

"SkyPilot represents our continued belief in the worldwide growth of Wi-Fi and complements our investments in Atheros, the leading worldwide 802.11 semiconductor supplier, and MetroFi, a leading municipal network operator," said Dave Marquardt. "We have always invested in the technology leaders in new, high growth markets, and SkyPilot represents exactly this in the new municipal Wi-Fi ecosystem."

Greg Galanos of Mobius Venture Capital added, "We are very pleased to have someone of Dave's caliber recognize the value SkyPilot has created for its customers and welcome his wisdom and experience to the board of directors. Our further investment reflects our long standing commitment to SkyPilot and belief that their technology leadership will be the key to addressing the increasingly diverse and growing requirements of municipal applications."

"In the first half of 2006, SkyPilot entered the municipal Wi-Fi market and gained immediate and significant wins in Portland OR, Aurora IL, Brookline MA and Foster City CA as well as being named one of the "Fierce15" Wireless Companies by FierceWireless," said Bob Machlin of SkyPilot. "We sincerely welcome Dave and August Capital to the SkyPilot team and the continued involvement of Greg and the Mobius team to help continue to build SkyPilot's success in municipal networks worldwide."

About SkyPilot Networks

SkyPilot Networks is the leading provider of carrier-class wireless mesh solutions that enable service providers, municipalities, and public safety agencies to rapidly deploy cost-effective broadband access, voice over IP, public and private Wi-Fi access, video surveillance, and other wireless applications. The SkyPilot solution utilizes a patent-pending synchronous mesh architecture with high-speed switched directional antenna arrays that extends reach, mitigates interference, and maximizes spectral reuse. The result is a highly scalable, reliable, and deterministic mesh network that simplifies design, increases deployment flexibility, and dramatically reduces equipment and operating costs. SkyPilot has proven scalability and reliability with over 15,000 units shipped to more than 200 customers in 40 countries. SkyPilot is a principal member of the WiMAX Forum™ and a privately held company based in Santa Clara, California.

For more information on SkyPilot and its solutions, contact pr@skypilot.com or visit <http://www.skypilot.com>.

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