

NEWS RELEASE

FOR IMMEDIATE RELEASE

**NovusEdge Secures \$6.5M Second Round Financing from
InterWest, Sevin Rosen, and First Capital;
Appoints Industry Expert CEO and Board Chairman**

*Strong Investor Support and Solid Leadership Team Position Company to
Drive Increased Adoption of Integrated Physical Security Solutions*

AUSTIN, Texas – January 12, 2006 – NovusEdge, a leading provider of complete physical security solutions, today announced it has secured additional funding in the amount of \$6.5 million from Interwest Partners, Sevin Rosen Funds, and First Capital Group. The company will use the funds to expand its research and development and sales and marketing initiatives, further penetrating the integrated security marketplace. Along with previous investments, this brings the company’s total funding to date to \$18.9 million.

Products from NovusEdge enable organizations to be constantly aware of – and in control of – what is happening at the edge of their networks. Currently, NovusEdge has successfully deployed its access control and asset protection solutions in organizations representing a variety of vertical markets, including government, retail, health care, education and telco.

“With the ever-growing market need for asset protection, security and control access solutions, NovusEdge is poised to thrive because it has in place the key fundamentals to drive increased market adoption – a solid leadership team, an executable product strategy, and strong partnerships,” said Ron Nash, Partner at Interwest Partners. “Its impressive and growing list of customers has positioned NovusEdge as an early leader who will accelerate this market forward.”

The company also announced that two highly experienced executives will join the NovusEdge leadership team. Peter Nohren has been appointed CEO and Robert J. Carroll will lead the board of directors as its Chairman.

“I am pleased to accept the CEO position at NovusEdge because of the incredible opportunities that lie ahead for continued growth and market penetration,” said Peter Nohren. “Our newly awarded funding demonstrates that this team is already on the right track, and with the additional investment, can now

significantly enhance our increasingly important R&D and sales and marketing initiatives. I look forward to leading these efforts to even greater success.”

Before joining NovusEdge, Mr. Nohren was VP of Engineering for AMX Corporation, a leading provider of advanced control and automation technology, where he led extensive research and development initiatives resulting in the introduction of over 100 new products in three years. Prior to AMX, he was COO for Paratek Microwave, where he was responsible for all product lines and distribution channels in the mobile and fixed wireless markets. Mr. Nohren also served for 18 years at Ericsson in various capacities, most recently as VP of Optical Networks, Cross Connect and Wireless Broadband Access, where he implemented global product strategies and directed product development efforts.

Prior to his appointment as NovusEdge Board Chairman, Mr. Carroll served as Chairman, President and CEO of AMX. Previously, he served as Chairman and CEO of BEI Holding Corporation from August 1998 to March 2001. He has been a Principal in Roscommon Limited, a technology investment and consulting practice providing specialized support in turnarounds, acquisitions, and divestitures. Mr. Carroll has over twenty-five years operational experience with technology companies engaged in software and hardware manufacturing.

About NovusEdge

NovusEdge (www.novusedge.com) is a leading provider of complete physical security solutions that control access, monitor environments, and manage alerts to protect high value assets. Its EdgeProtect™ product is the first fully integrated solution that delivers IP-enabled, automated controls via rules-based functions, in real-time, at the point of need. The company’s EOE (Edge Operating Environment) architecture utilizes embedded intelligence at the edge of the network that enables automatic and dispersed response in remote locations with reduced impact on network resources. NovusEdge solutions are easily and cost effectively scalable within an existing location or up to thousands of locations. NovusEdge customers include Lockheed Martin Atlas V, Warren Air Force Base, Dallas Semi-conductor, Methodist Hospital system, Denver Health and others.

About InterWest Partners

InterWest Partners (www.interwest.com), founded in 1979, is a leading diversified venture capital firm focused on building long-term relationships with entrepreneurs and portfolio companies. Currently investing its ninth fund, IW IX, a \$600 million fund, InterWest has more than \$2 billion of capital

raised since inception. InterWest has 16 investing partners in Menlo Park, CA and Dallas, TX, who bring together deep domain knowledge in life sciences and information technology.

About Sevin Rosen Funds

Sevin Rosen Funds (www.srfunds.com) is a top-tier venture capital firm with a track record of funding successful companies since 1981. The partnership has consistently made early-stage investments in pioneering technologies and companies with the potential to create new markets. The partners' broad range of venture and operating experiences in successful technology companies translates into a sustained commitment and contribution to the development of the ventures funded. Compaq, Lotus, Cypress, Electronic Arts, SGI, Citrix and CIENA are representative of some of the firm's successful IPOs.

About First Capital Group

First Capital Group is a venture capital firm that invests in a diversified portfolio of well-managed early- and expansion-stage companies primarily in Texas and the Southwest, working with their management teams to help build value. As one of Texas' most established venture capital firms providing funds to this traditionally under-served geographic market, First Capital Group delivers more than 75 years' combined experience to assist entrepreneurs in obtaining the capital they require to execute their business plans and the experienced counsel they need to help achieve their business objectives. Jeffrey P. Blanchard and James A. O'Donnell are the Members and owners of First Capital Group Management Company, LLC, which manages all of First Capital Group's investment funds. Formed in 1984, First Capital Group has consistently remained focused on a diversified investment strategy, enabling it to meet investors' needs for a lower-risk portfolio without compromising expected investment returns. First Capital Group originates and serves as a lead or principal investor in all of its transactions. For more information, please visit:

www.FirstCapitalGroup.com

Media Contact:

Duana C. Welch, Ph.D.
BlabberMouth L.P.
A Full-Service Public Relations Firm
210.383.3673

Visit us at www.blabbermouthPR.com

###