

FARALLON CAPITALIZES ON APPLE'S MOMENTUM WITH MANAGEMENT-LED SPIN-OFF FROM NETOPIA

August 5, 1998 – Netopia, Inc. and Gores Technology Group announced today that Netopia's Farallon division has been spun off to form a new, privately held company financed by GTG. The new company was created to continue delivering high-quality, high-performance connectivity solutions for the Apple Macintosh market. The new company, to be named Farallon Communications, will be managed and staffed by personnel of the former Farallon division under the leadership of President Richard Maslana.

Funding by GTG will bolster Farallon's resources and enable the new company to increase its focus on delivering connectivity solutions for Macintosh customers. "As an independent company, Farallon will increase its marketing and sales focus on the key markets where Apple and Farallon are dominant," Maslana advises. "These include K-12 and higher education; pre-press, publishing, and new media; small business, and consumer. We will continue to provide Farallon products through the same VARs, Apple Education Sales Agents, mail-order, catalogs, on-line stores, and distributors world-wide." Founded in 1986 to simplify Macintosh networking, Farallon successfully branched into the Internet product and services market, and has continued to develop "Mac-first" connectivity solutions for its key markets. Over the past 18 months, Farallon has shipped over a dozen new Ethernet and Fast Ethernet products including NICs, switches, and hubs for these markets. Earlier this month, Farallon announced new connectivity products for the iMac. "With Apple's resurgence in their current markets and re-entrance into the consumer market with the iMac, the timing of the creation of this new company couldn't be better," remarked Georganne Benesch, Farallon's VP of Products. "We expect to enter new markets as well as grow our share of our current markets." "We have had 20 years' experience in funding high technology companies and helping them grow," says Vance Diggins, President of Gores Technology Group, "and we regard Farallon as an excellent candidate for the type of success the other Gores companies have enjoyed. With Farallon's strong brand recognition and loyal customer base, and with Apple's exciting market rebound, we expect the Farallon business to have great new growth opportunities." "Netopia, Inc. will continue to focus on its Internet products," said Alan Lefkof, CEO of Netopia, Inc. "The Farallon spin-off is a win-win for both companies. It enables both Farallon and Netopia to invest in and focus on their respective key markets. Clearly there is a lot of synergy between the two companies and I look forward to working closely with Farallon on co-marketing activities."