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## NEW COMPANY FORMED TO PROVIDE STORAGE FOR UNISYS MAINFRAME USERS

**SAN JOSE, CA – July 27, 1998** – Silicon Systems and Technologies, Incorporated (SST), formerly the Intelligent Storage Systems Division of Zitel Corporation (NASDAQ:ZITL), has commenced operations in new quarters in San Jose, California, following its successful acquisition by the Gores Technology Group (GTG) of Los Angeles.

Former Division General Manager James A. Hogan has been named President of SST, which will operate as an autonomous subsidiary of GTG. The company will build on its success in developing high performance storage systems for Unisys mainframe transaction processing applications and market its systems to Unisys users worldwide. Financial services firms, banks and telecommunications companies are among the leading users of SST's products. Over the past 15 years, the company has built a reputation among Unisys mainframe users for providing high quality storage systems that outperform competitive products in write-intensive, transaction processing operating environments. Many of the company's customers view SST's systems as the leading alternative storage platform for Unisys mainframes. According to Hogan, its sales to Unisys users grew 24% last year which resulted in a 25% increase in its share of this market segment. "Our continuing manufacturing partnership with Hitachi ensures that we will be able to provide our customers with systems manufactured at an ISO 9002-certified site by a world-class organization," Hogan said, "In addition to the Hitachi partnership, our continuing relationships with Unisys and others for third-party, worldwide support demonstrates that SST is well positioned to supply and support our products in a manner as well as or better than in the past." Vance Diggins, President of GTG, explained why GTG was interested in acquiring SST: "We saw that the company had a talented management team and a long history of success selling storage systems to customers in this market, and concluded that they are well structured for this specialized business. This should be strengthened with the backing of GTG and the global customer base and distribution support structure provided by the other ten Gores companies. "As a result, we believe that the SST management team will be able to tightly focus all of their development, sales, marketing and support efforts on this specialized business of supplying high performance storage systems for Unisys mainframes and establish SST as a robust, high-performance alternative for all Unisys customers." With this acquisition, GTG further enhances its position as a leading international acquisition and management company that pursues an aggressive strategy of acquiring promising high-technology organizations and then managing them for growth and profitability. With this acquisition strategy and strong internal expansion, GTG has rapidly grown to its current \$250 million size.