



SMITH & TINKER SECURES \$29 MILLION IN VENTURE FUNDING

Games and Entertainment Industry Visionaries Invest in Mission to Reinvent Play for the Connected Generation

BELLEVUE, Wash. – August 25, 2009 – Smith & Tinker® today announced it has raised \$29 million in venture capital with major investments coming from Alsop Louie Partners, DCM, Foundry Group, Leo Capital Holdings and Vulcan Capital. The most recent investment round was led by DCM and closed in July, in advance of the company’s recent launch of its flagship product, Nanovor.

“Just like our executive team, Smith & Tinker’s investment partners include some of the most well-known and experienced names in software, toys, gaming and entertainment, providing deep insight and vision into the markets we are pursuing,” said Jordan Weisman, Smith & Tinker CEO and co-founder. “With the release of Nanovor, we have put a stake in the ground as the first company to merge the best of a game studio, entertainment shop and toy company all under one roof, and with the sole mission of reinventing play for today’s connected kids.”

Earlier this month, Smith & Tinker released Nanovor, which draws players into an online world where nanoscopic monsters, known as Nanovor, live and battle on silicon chips deep inside computers. The game integrates multi-player PC gaming with offline, handheld play on its proprietary device, the Nanoscope™. This next-generation game seamlessly integrates online and offline play experiences, encourages face-to-face interaction, and enables kids to battle their monsters anywhere and everywhere.

Alsop Louie Partners provided the seed round investment in Smith & Tinker in fall of 2007. Founding partner Gilman Louie is the former chairman of video game pioneer Spectrum Holobyte, and previous board member of Wizards of the Coast. He worked with Weisman from the beginning to build the concept behind Smith & Tinker from the ground up. “It became evident very early on that delivering on the promise of connected play wasn’t possible at any existing company,” Louie said. “So we set out with Jordan and co-founder Joe Lawandus to create it ourselves.”

Foundry Group’s Ryan McIntyre, co-founder of internet portal Excite, was also quick to see the value of a Smith & Tinker investment, and led the firm’s initial investment in the company in the spring of 2008. “The evolution of human-computer interaction is a key investment theme at Foundry Group, and Smith & Tinker’s approach to bringing compelling digital play offline with the Nanoscope fits perfectly into our portfolio strategy,” McIntyre said.

Smith & Tinker's July investment was led by international venture capital firm DCM. "Building market leaders in the Pacific Rim is one of DCM's core strengths," said DCM partner Gen Isayama. "We look forward to supporting Smith & Tinker's seasoned management team to launch the Nanovor franchise in the U.S., and later bring it to Asia where we have great track record of partnering with portfolio companies to create long-term value."

Additional software strength is delivered by Smith & Tinker board advisor Steve Arnold who is the former VP/GM of LucasArts, the computer software and video game company founded by George Lucas. Further technology insight comes from Seattle-based Vulcan Capital, the investment arm of Microsoft co-founder Paul Allen. Hi-tech kid's toys and gaming platforms are also well represented in the Smith & Tinker boardroom. Randy Rissman, founder of Leo Capital Holdings, was previously the founder of Tiger Electronics, creator of the 40 million-unit selling toy phenomenon Furby, and a revolutionary range of kids' handheld games. Jim Whims, another member of the board, was a co-founder of Worlds of Wonder, which brought the first animatronic plush, Teddy Ruxpin, to market. Later, Jim bridged the divide between toys and video games as he led Sony's launch of the PlayStation in the U.S.

Smith & Tinker is building Nanovor into a full scope entertainment franchise, including weekly animated webisodes, comics, a graphic novel, field guide and strong retail presence at Amazon, Best Buy, Target and Toys 'R Us among others.

More information on the company is available at www.smithandtinker.com. To explore the world of Nanovor, visit www.nanovor.com

About Smith & Tinker

Smith & Tinker is reinventing play for the connected generation with innovative hybrid games that bridge the gap between online digital entertainment and classic offline tabletop play. Smith & Tinker aims to encourage social interaction and play among kids whether they are in the same room or across the globe. Founded in 2007, Smith & Tinker is led by executives from some of the world's top brands including Microsoft, Hasbro, and Disney. More information is available at www.smithandtinker.com.

About DCM

DCM is an early stage venture capital firm supporting entrepreneurs building world-class technology companies. The firm's partners manage US\$1.6 billion and have funded leading technology companies including 2Wire, 51job (Nasdaq: JOBS), @Motion (Openwave), About.com (The New York Times Co.), All About (Nasdaq: 2454), Arroyo (Cisco), Clearwire (Nasdaq: CLWR), Dang Dang, eDreams (TA), Foundry Networks (Nasdaq: FDRY), HireRight (Nasdaq: HIRE), Internap (Nasdaq: INAP), IPivot (Intel), JCI (Nasdaq Japan - Hercules: 9424), Neopath Networks (Cisco), Neutral Tandem (Nasdaq: TNDM), nQuire (Siebel), PGP Corporation, Recourse Technologies (Symantec), RockYou, Sigmatel (Nasdaq: SGTL), SMIC (NYSE: SMI), Sling Media (EchoStar), VanceInfo (NYSE: VIT) and Vimicro (Nasdaq: VIMC). The firm's gaming portfolio includes Outspark, Playfirst and Trion World Networks. With offices in Silicon Valley, Beijing and Tokyo, DCM offers hands-on operational guidance and access to an extensive network of resources, including close relationships with many of the Pacific Rim's leading companies and investors. For more information, please visit DCM's website at www.dcm.com.

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