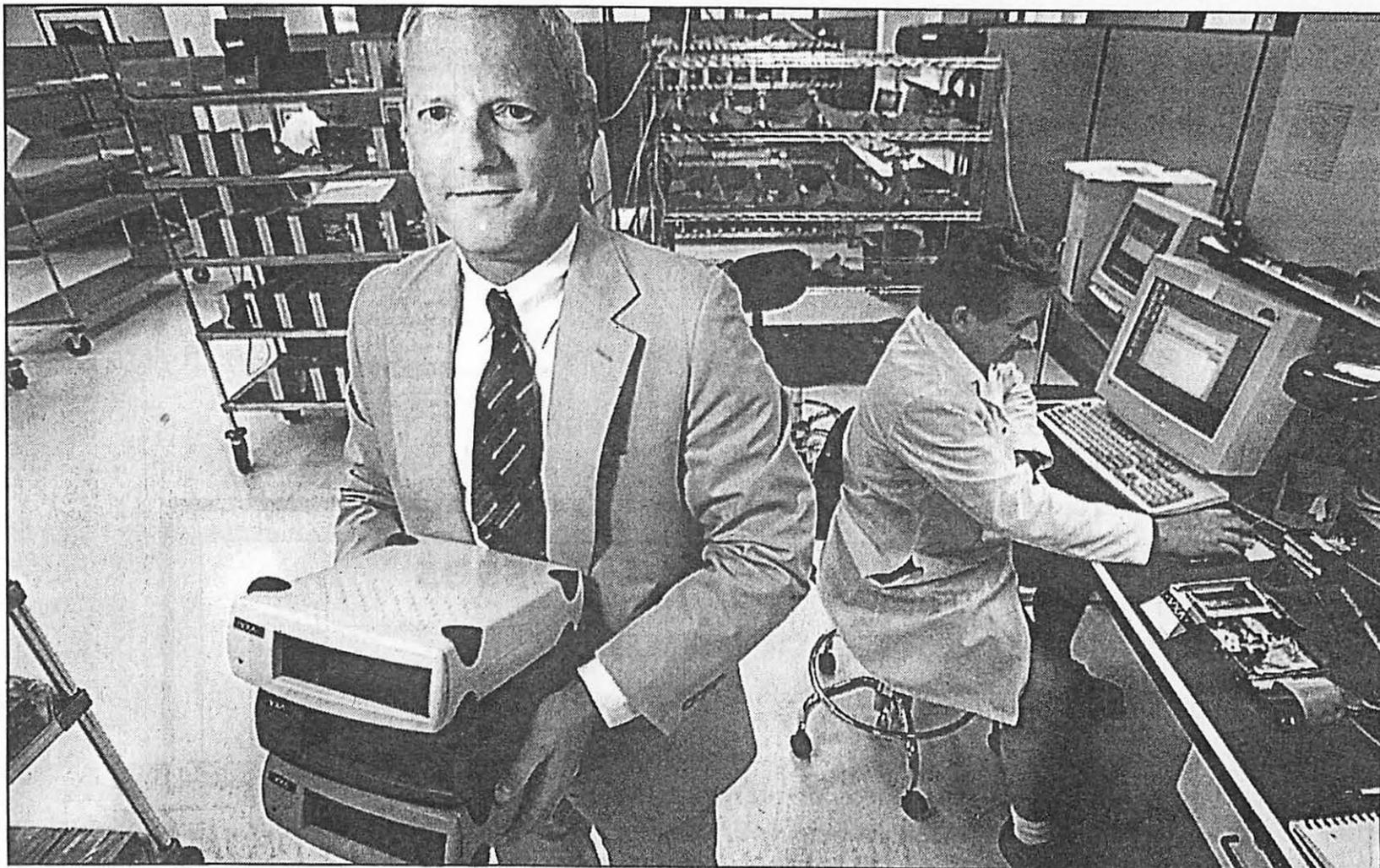


BUSINESS

TUESDAY, JULY 27, 1999

DAILY CAMERA

SECTION B



PAUL AIKEN / Daily Camera

Ecrix Corp. President Kelly Beavers holds some of the company's VXA-1 tape drives while technician John Bishop works in quality control. The company just landed \$25 million in venture financing.

Ecrix lands \$25 million in financing

Tape drive company to use infusion to finance ongoing work

By Kris Hudson

Camera Business Writer

Tape drive company Ecrix Corp. has landed a whopping \$25 million for its final round of venture financing.

The Boulder company, founded in 1996 by Storage Technology Corp. and Exabyte Corp. veterans Juan Rodriguez and Kelly Beavers, received the award from a trio of financial backers: The Centennial Funds, Chase Capital Partners and the Hexagon Fund. Ecrix executives announced the sum Monday.

Ecrix will use the money to fi-

nance its operations until sales of its first product, the VXA-1 tape drive, produce enough revenue to support the company. Ecrix began delivering its drives to customers in May, and the company's plans call for shipping about 1,000 drives next month.

"We're going to use (the money) to fund our cash requirements," said Beavers, Ecrix's president and chief operating officer.

"We're starting to sell the product. But at this point, we're still burning cash. This just fills that gap.

"We'll use it for everything: advertising, marketing promotions and hiring people. We're working on second-generation products and we've hired engineers for that."

All told, Ecrix executives hope to expand the company's

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Ecrix lands \$25 million in financing

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60-member Boulder staff to 115 by early next year as the company boosts its production levels. Most of the new hires will occur in Ecrix's sales and operations departments. The bulk of the company's manufacturing is handled by a Japanese partner.

Ecrix's VXA-1 drive offers a native data-storage capacity of 33 gigabytes and a native data transfer rate of three megabytes per second. Ecrix lists the drive's suggested retail price at \$1,295.

Ecrix executives say the drive's new features and relatively low price will help it capture market share in the increasingly crowded tape drive industry. The company's helical scan drive can vary the speed with which it records and reads data, making it a viable candidate for booming applications such as digital video editing. By varying its speed, the drive eliminates the constant rewind-fast for-

ward motion of traditional tape drives — otherwise known as "backhitching."

While the Hexagon Fund is making its first investment with Ecrix, Centennial Funds contributed to both of Ecrix's first two rounds of financing, and Chase Capital Partners chipped in during the second round.

"It's a highly experienced management team that knows how to build very large companies," Don

Parsons, a general partner with Centennial Funds, said of the factors behind Centennial's support of Ecrix. "It takes those who are experienced in building companies in a space like this to do it again ...

"No. 2 is what's really happening in the storage space is a really huge opportunity in the market," he said, referring to the potential new data-storage markets created by Internet use and digital video applications.