



Enabling Open Tolerant Networks



Press Release, September 25, 2006

T-Com Venture Fund invests in CoreOptics

Bonn/ Nuremberg, Germany and Manchester NH, USA, September 25, 2006: CoreOptics Inc., a leading designer and manufacturer of 10Gb/s and 40Gb/s optical networking subsystems, today announced, that T-Com Venture Fund – the corporate venture fund of the Broadband/Fixed Network division of Deutsche Telekom AG - has invested in the company.

This strategic investment emphasises the current development partnership between T-Com, CoreOptics and its manufacturing partners and backs today's roll-out of products and future innovation of CoreOptics.

"We are very pleased with T-Com Venture Fund's decision to invest in our company", said Hamid Arabzadeh, CoreOptics President and CEO. "This is indeed a strong validation of our company, our product portfolio and the future roadmap of our business to deliver innovative products to our carrier customers for their faster and more cost effective service delivery."

CoreOptics has been in forefront of developing innovative products to address carriers' requirements for innovative and cost effective service delivery. CoreOptics has developed advanced 10G/40G transponder subsystems products to overcome optical layer impairments using innovative digital signal processing techniques based on Maximum Likelihood Sequence Estimator (MLSE) algorithm. CoreOptics currently offers complete 10G DWDM, 40/43G Single Channel Short Reach and DWDM 300 pin MSA transponder subsystems.

"In expanding its network infrastructures and introducing forward-looking applications and services our company is continuously pursuing innovative products and solutions." said Wolfgang Schmitz, Senior Executive Vice President Technology Engineering Centre, T-Com.

Key benefits of CoreOptics product platform include reduction in first-in CAPEX, by eliminating the need for the conventional Dispersion Compensation Modules (DCMs) and Dual-Stage amplifiers. The OPEX savings include simplification of network planning, installation and provisioning by enabling a complete set of plug-and-play features. The distortion tolerant transponder will enable transmission of 10 Gb/s services on the widely deployed 2.5 Gb/s metro networks, enabling service providers to maximize revenue generation from their installed base. CoreOptics 10G DWDM transponder product is in deployment with 15 service providers globally.

CoreOptics distortion tolerant 10 Gb/s transponder product using MLSE technology is clearly a cost effective way to reduce the Cap-Ex for the next generation network builds while enabling a significant tolerance against Chromatic and Polarization Mode Dispersions.

About CoreOptics

CoreOptics with operations in Nuremberg, Germany and Manchester New Hampshire, USA develops and manufactures subsystems for ultra high-speed optical networking applications in the telecommunications and information technology industries.

CoreOptics current portfolio includes advanced 10Gbps and 40Gbps transponders for Metropolitan, Regional and Long Haul optical systems using DWDM, OTN, SONET/SDH, ATM and IP protocols.

The company was founded in January 2001 and has received financing from leading venture capital firms, GIMV, Quest for Growth, Crescendo Ventures, TVM Capital, High Tech Private Equity, Atila Ventures and others. The team includes over 70 highly skilled engineers with extensive experience in RF and digital ASIC design as well as optical systems, applications and network architecture. Additional information about CoreOptics can be found at www.CoreOptics.com

For more information please contact:

Saeid Aramideh

CoreOptics
Vice President of Marketing
50 Bridge Street, #308
Manchester, NH 03101
Phone: +1 603-669-3355
Email: saeid@coreoptics.com

About T-Com Venture Fund

The T-Com Venture Fund was established in 2004 and equipped with an investment volume of EUR 50 million. It is managed by T-Venture, the venture capital entity of Deutsche Telekom. Its aim is to support the T-Com as the strategic business unit for Broadband/Fixed Network of Deutsche Telekom AG in its objectives. For additional information about T-Venture and the T-Com Venture Fund please visit www.t-venture.de.

Press contact:

T-Venture Holding GmbH
Sabine Kohl
Email: t-venture@telekom.de
Telephone: +49 228 30848-95
Fax: +49 2151 33627604