



Press Release, September 26, 2005

CoreOptics announces deployment of its electronic distortion equalization technology in the world's first distortion tolerant optical transport system

Nuremberg, Germany, September 26, 2005: CoreOptics, a leading designer and manufacturer of 40 Gbit/s and 10 Gbit/s optical networking subsystems, today announced the commercial deployment of its electronic distortion equalization technology on Siemens' DWDM transmission platform SURPASS hiT 7500.

"I am very pleased about our partnership with CoreOptics, as we have successfully completed the joint development of a completely new generation of DWDM transponders. Siemens is now able to deliver the world's first distortion tolerant 10Gb/s WDM transponder," said Bernd Schumacher, Senior Vice President Fixed Networks Transport at Siemens Communications. "Our DWDM transport platform SURPASS hiT 7500 is designed to meet service providers' distance and capacity needs, while enabling a completely flexible and transparent network infrastructure. Here, our new generation of distortion tolerant transponders enabled by CoreOptics will become a benchmark in DWDM transmission."

Building on the company's expertise in the development of high capacity distortion tolerant optical transport subsystems, CoreOptics' 10 Gbit/s 300 pin MSA compliant transponder platform provides market-leading levels of performance and cost effectiveness for the next generation of converged networks. The key feature of this product platform is enabled by CoreOptics' Maximum Likelihood Sequence Estimator (MLSE) electronic distortion equalization engine, which adaptively compensates for both optical and electrical distortions accumulated along the transmission link.

"We are delighted to have had the opportunity to support Siemens in their development efforts for a truly next generation optical transport platform that has set a new industry benchmark for high performance while achieving the lowest cost of ownership," said Hamid Arabzadeh, CoreOptics President and CEO.

Key benefits of this MLSE-enabled transmission product platform include reduction in initial capital expenditure by eliminating the need for the conventional Dispersion Compensation Modules (DCMs) and Dual-Stage amplifiers. The operational expenditure savings include simplification of network planning, installation and provisioning by way of a complete set of plug-and-play features.

CoreOptics' distortion tolerant transponder enables transmission of 10 Gbit/s services on existing widely deployed 2.5 Gbit/s metro optical networks, allowing service providers to maximize revenue generation from their installed base.

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, Crescendo Ventures, TVM, High Tech Private Equity, Atila Ventures and others. The team includes over 60 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

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