



Enabling Open Tolerant Networks

Press Release, May 14, 2008

CoreOptics announces closing of \$25 million funding round

Nuremberg, Germany and Manchester NH/San Jose, CA, USA, May 14, 2008 -- CoreOptics Inc., a leading designer and manufacturer of 10/40/100 Gbps optical networking subsystems, today announced the closure of a \$25 million round of financing from existing investors, bringing the company's total funding to date to more than \$90 million.

"We have more than 10,000 units of our 10G transponders with MLSE functionality currently deployed, with over five global tier-1 network operators around the world. This achievement clearly illustrates the value of our technology in creating open, distortion tolerant infrastructure for 10G/40 Gbps optical networks today and 100G to come" said Hamid Arabzadeh, CoreOptics Chairman of the board, President and CEO. "This round of funding will enable us to complete our near-term product development programs, achieve our manufacturing ramp targets, expedite our global sales team expansion and see us through to the next phase of the company's evolution to establish CoreOptics as the global leader in distortion tolerant 10G/40G and 100G optical subsystems."

CoreOptics works in close cooperation with all major carriers and optical system vendors around the world to identify the most cost effective and high performance solutions to mitigate distortion impairments. The company has established market leadership in providing highly advanced equalization solutions based on Maximum Likelihood Sequence Estimator (MLSE) electronic signal processing algorithm at 10 Gbps. The company's next-generation MLSE-2 technology will enable systems vendors and their carrier customers to benefit from much higher Chromatics Dispersion (CD) and Polarization Mode Dispersion (PMD) mitigation capabilities, and to set the physical layer of the optical networks for cost effective deployment of 40 and 100 Gbps services.

"Since joining the CoreOptics' Board last year, I've been very impressed by the company's clear technological and market leadership position in delivery of distortion tolerant 10G and 40 Gbps transponder subsystems." said Dr. Niel Ransom, an independent member of CoreOptics Board of Directors and former Alcatel CTO. "With this round of funding and growing revenue stream, we now have the capability to better utilize our technology leadership in 10G/40G DWDM and provide global reach and support to CoreOptics fast expanding customer base."

CoreOptics currently offers 10 Gbps DWDM, 40 Gbps Single Channel Short Reach and 40/43G DWDM transponder modules. The company's product portfolio also includes 43 Gb/s Ultra-FEC, 40G Mux/DeMux for 4x10G client signals and Interface Converter supporting SFI-5s, SFI-4, XFI to enable building of next generation Open Tolerant Networks. Key benefits of this 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.

About CoreOptics

CoreOptics, with operations in Nuremberg, Germany, San Jose, California 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 T-Com Venture Fund, GIMV, Crescendo Ventures, TVM Capital, High Tech Private Equity, Atila Ventures, Quest for Growth and others. The team includes over 115 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

Senior Vice President of Marketing and Sales

50 Bridge Street, #308

Manchester, NH 03101

Phone: +1 603-669-3355

Email: saeid@coreoptics.com