



Narad Secures 10 Million Plus in Additional Funding

Company Gears Up for Market Expansion and Rollout of Next-Generation Ethernet Switch Platform

Westford, Mass. Feb. 21, 2007 – Narad Networks, Inc., the market-leading provider of FTTx solutions for bandwidth enhancement of HFC cable systems, today announced an additional round of funding in excess of \$10 million. The round will support the company's ongoing operations and global expansion as well as help launch Narad's next-generation switched Ethernet platform. Polaris Venture Partners, Argo Global Capital, Sofinnova and Vertical Group participated in the round. Additional closings will occur over the next 90 days.

"Narad's outdoor HFC Ethernet switches are a timely way to leverage billions of dollars of cable company investments in deep fiber and distribution coax for delivery now of 100 Mbps-class commercial data services and delivery later of residential IPTV," said Ethernet inventor and Narad director Bob Metcalfe. Also an advisory director of the Metro Ethernet Forum (MEF), Metcalfe added, "Narad has joined widening industry support for the 'Carrier Ethernet' standard in bridging the 'telechasm' between carrier wide-area networks and coaxial cable-based local-area access networks in neighborhoods and multi-tenant buildings."

"With the investment in cable commercial services skyrocketing, Narad is positioned in the eye of a perfect storm," said Michael Collette, CEO of Narad Networks. "Our new FTTx for HFC product line provides MSOs with powerful new tools to compete and generate great returns. We have commitments for certification, trial and deployment with multiple major MSOs in the coming months. This additional round of funding will allow us to scale to meet demand."

Narad has begun rolling out its new FTTx for HFC platform with the arrival of the first new product in the FTTx platform, the FTTxSWITCH. The FTTxSWITCH supports Gigabit Ethernet over each of 6 fiber ports and 100Mbps Ethernet over each of 4 coaxial

cable ports. The FTTxSWITCH can be deployed in Fiber To The Node (FTTN), Fiber To The Curb (FTTC) and Fiber To The Premise (FTTP) configurations. The FTTxSWITCH will also support wireless access points and standard Ethernet cabling (e.g. RJ-45). Support for 10 Gigabit Ethernet will be available later this year.

Narad's switched Ethernet solution for the access network greatly amplifies the broadband capacity of HFC cable systems. Up to 80 Gbps of Ethernet capacity can be distributed within existing HFC cable nodes – even those without spare fiber. Switched Ethernet over fiber can deliver up to 1 Gbps x 1 Gbps per end user. Switched Ethernet over coaxial cable can deliver up to 100 Mbps x 100 Mbps per end user. With 80 Gbps of underlying capacity, this means up to 800 households in a cable node can have 100 x 100 Mbps dedicated services. In all cases, capacity is dedicated and capable of full carrier-class Quality of Service throughout the plant.

Tim Savageaux, Managing Director of Research at Merriman Curhan Ford & Co., and a leading analyst in the communications equipment sector, commented on sector activity, "After a lengthy hiatus, wireline carriers of all stripes are once again investing significant capital in network infrastructure, driven by increased competition and bandwidth demand. We expect capital spending by cable MSOs in particular to represent the fastest growing category of network investment over the next few years, with growth well into double digits, as they move to expand capacity in support of new services including higher speed residential broadband and commercial services."

About Narad Networks

Narad is the market-leading provider of FTTx solutions for bandwidth enhancement of HFC cable systems. The company's switched broadband access solutions enable cable operators to leverage existing coaxial cable and flexibly use fiber and wireless media to deliver high capacity, high performance IP services, including voice, data, video, and enterprise networks. The company's QoS switches and service management software, along with its broad spectrum fiber and coax transmission technologies, support multi-gigabit transport for both commercial and residential customers. Narad's patented Ethernet-over-Coax solution meets the needs of coax-based users that have voice or data needs beyond that which cable modems can offer, while Narad's switched Ethernet-over-Fiber solution provides unprecedented IP capacity to fiber-based customers. Narad is currently deployed with North American and European cable operators.

Based in Westford, Massachusetts, Narad is a privately held company with venture funding from Polaris Venture Partners, Argo Global Capital, and other leading venture capital firms. For more information, visit www.naradnetworks.com.

About Polaris Venture Partners

A national venture capital firm with over \$3 billion under management, Polaris identifies and invests in seed, early stage and growth equity businesses in the technology, life science and digital media sectors.

Through a philosophy of lead investing and active, long-term partnering with early stage and growing revenue stage businesses, Polaris has helped a number of companies achieve outstanding success. Among them are: Accordant Health Services, Acusphere, Advanced Inhalation Research (AIR), Akamai Technologies, Allaire Corporation, American Superconductor, Alnylam Pharmaceuticals, Aspect Medical Systems, Avici Systems, Centra Software, Classifieds2000, Cubist Pharmaceuticals, deCODE genetics, Exchange.com, GlycoFi, Matrics, Momenta Pharmaceuticals, Paradigm Genetics, Powersoft, Solidworks, and TransForm Pharmaceuticals.

For more information, please see www.polarisventures.com.

About Argo Global Capital

Argo Global Capital is a leading venture capital firm focused on investing in companies that are enabling the convergence of communication mediums.

Argo is dedicated to helping entrepreneurial ventures achieve enduring success. Our unique relationship with telecommunications operators (our "Operator Partners") and industry partners on four continents provides us with relationships and knowledge that add real value and increase the odds of our portfolio companies achieving their goals.

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Contact:

Stacy Oaksmith

JLM Partners for Narad Networks

206-381-3600

stacy@jlmpartners.com