



LAMBDA OPTICALSYSTEMS SECURES \$22 MILLION IN SERIES B1 FUNDING

Investors Support Company's Technical Success and Continued Commitment to Providing Affordable, All-Optical Networking Solutions to Telecommunications Carriers and Government Agencies

Reston, VA, Nov. 15, 2004 – Lambda OpticalSystems, an advanced optical network solutions provider, announced today that it has secured \$22 million in Series B1 funding from Sevin Rosen Funds, ComVentures, and PacRim Venture Partners/SmartForest Ventures – three venture firms with strong track records in the telecommunications sector.

The funding follows Series B capital awarded in April 2004, which Lambda OpticalSystems invested primarily in the development of its LAMBDA NODE 2000 optical switching platform and its software suite of call control and integrated network management systems. Lambda OpticalSystems plans to apply this new round of funding toward further product development, as well as sales and marketing initiatives. The company is committed to providing affordable all-optical networking solutions to government agencies and telecommunications carriers that face growing demands for high-bandwidth services and advanced applications.

“The investors’ commitment to Lambda OpticalSystems indicates their confidence in our ability to deliver innovative solutions that help our customers meet their unique challenges,” stated Irfan Ali, president and chief executive officer of Lambda OpticalSystems. “The intent of this series of funding is to build on our foundation of technical success by continuing targeted initiatives with government and telecommunications carrier customers on a global basis, as well as to expand our sales and marketing functions.”

“Sevin Rosen Funds’ continued investment and support is indicative of our strong faith in Lambda OpticalSystems’ technology and management team,” said Amra Tareen, Partner, Sevin Rosen Funds. “We recognize Lambda OpticalSystems’ unique position in the optical networking market and the tangible cost benefits customers realize from utilizing the company’s technology solutions.”

“Lambda OpticalSystems has delivered on its promise to develop affordable all-optical networking switches and network management software,” said Cliff Higgerson, Partner, ComVentures. “We are pleased to continue supporting the company’s advancements in the industry.”

PacRim/SmartForest, a new investor in Lambda OpticalSystems, has a successful history of investing in fundamental and transformational technology. “Lambda OpticalSystems is uniquely positioned to change the networking landscape by providing innovative technologies that will enable service providers in growing markets to provide new, high-bandwidth services to their customers cost-effectively,” said Ming Yeh, Partner, PacRim/SmartForest.

Since securing its Series B funding in April 2004, Lambda OpticalSystems successfully completed the development of its flagship LAMBDA NODE 2000 intelligent optical switching platform that enables an all optical networking core characterized by breakthrough performance and efficiency. The company also completed the development of its full LAMBDA CREATE software suite, including Lambda Service Delivery Systems (SDS) and Lambda Optical Control Plane (LOCP), which enables integrated visibility and management of the entire end-to-end network from a single point of control.



Lambda OpticalSystems has also concluded product trials with leading carriers and government networks, including recent testing at the University of New Hampshire InterOperability Laboratory (UNH-IOL) that confirmed LAMBDA NODE 2000's interoperability with multi-vendor implementations of the Generalized Multi-Protocol Label Switching (GMPLS) standard, an enabler of a broad suite of new communications applications. This initiative was sponsored by NTT, Japan.

About Lambda OpticalSystems

Lambda OpticalSystems, an advanced optical network solutions provider, is committed to the development of next-generation all-optical networks that enable signals to pass through the core without conversion—enhancing network management efficiency and affordability. Sevin Rosen Funds and ComVentures, two very highly respected venture firms with strong track records in successful telecommunications companies' investments and business development, incorporated the company in March of 2003. With a clear new vision for its future, Lambda OpticalSystems has developed and brought to market a complete family of optical networking products which allow end-to-end services delivery and network management over all-optical networks at the individual wavelength level.

Headquartered in Reston, Virginia, Lambda OpticalSystems also operates an additional product development location in Holmdel, New Jersey. For more information, please visit www.lambdaopticalsystems.com.

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