



D&E Communications Builds Converged Broadband Access Network Around Calix C7 Multiservice Access Platform

Rural LEC Uses Calix C7 Platform to Modernize Broadband Access Network for Deployment of Video and Other High-Speed Applications

FEBRUARY 7, 2005, PETALUMA, CA—Calix announced today that D&E Communications, Inc., of Lancaster County, Pennsylvania, one of the top 20 independent telephone companies in the U.S., is converging its entire broadband access network on the Calix C7 multiservice access platform. D&E has already installed 20 Calix platforms, and will complete installation throughout its operating territory in central and eastern Pennsylvania by the beginning of 2006. The Rural Local Exchange Carrier (RLEC) will use its Calix broadband access network, which is capable of offering broadband data, voice, IPTV and other high-speed services, to better serve its 177,000 lines, largely in rural and small-town areas.

“When we did a trial of video service early last year, we found that our legacy broadband system was not capable of supporting our network requirements,” said Stuart Kirkwood, vice president of engineering, D&E Communications. “We needed to replace our existing network with a single, converged broadband access network that includes IP video and ADSL2+. The Calix C7, coupled with equipment from other vendors, outweighed the competition in terms of number of services supported. In addition, Calix provides unsurpassed capacity with its 200 Gbps backplane offering, which leaves room for network growth in the future.”

The Calix C7 gives D&E a future-safe platform that will enable it to drive new revenues from new services, such as video on demand (VOD), and to accommodate users’ ever increasing need for bandwidth. D&E also benefited from the CalixCompatible program, allowing it to confidently select third-party equipment for use in its broadband network, including, for example, head-end video encoders from Tut Systems.

“As a vendor of open, standards-based equipment, we developed the CalixCompatible Solutions Assurance Program to ensure that the equipment our customers purchase is interoperable with their C7-based networks,” said Frank Wiener, Calix vice president of field marketing and author of *The Book on Video*. “Another Calix strength is the way we conduct our business to help customers get out of the gate quickly with new services and reduce their operating costs. For example, D&E is taking advantage of our secure on-line process that helps customers efficiently design, configure, verify, order, and track product shipments.”

The Calix C7 allows service providers to begin offering IP-based video entertainment services over DSL and allows them to migrate subscribers to fiber to the premises (FTTP) as desired, while retaining their investment in video encoders, middleware, IP set top boxes, and the access and transport network. The C7 supports up to 2,400 ultra-broadband fiber or copper interfaces in a single 7-foot rack, with ten OC-

48 interfaces and an aggregate of 1 Tbps in backplane bandwidth. Despite this enormous capacity, carriers can deploy the C7 very economically, even in environmentally harsh environments.

About D&E Communications

D&E Communications, Inc., is a leading provider of integrated communications services to residential and business customers in markets throughout central and eastern Pennsylvania. D&E offers its customers a comprehensive package of communications services including local and long distance telephone service, high-speed data services, IPTV, and internet access service. D&E also provides business customers with systems integration services including voice and data network solutions. For more information, visit www.decommunications.com.

About Calix

Calix is a leading supplier of telecommunications solutions designed to simplify all aspects of voice, data, and video service delivery to business and residential subscribers for local exchange carriers of all sizes. Providing extensive optical and metallic density, unprecedented access capacity and functional headroom, advanced management and provisioning capabilities, and broad service flexibility, the packet-based Calix C7 platform has been deployed in over 140 service provider networks throughout North America. More information about Calix can be found at www.calix.com.

This press release contains forward-looking statements that are based upon management's current expectations and are inherently uncertain. Forward-looking statements are based upon information available to us as of the date of this press release and we assume no obligation to revise or update any such forward-looking statement to reflect any event or circumstance after the date of this release. Actual results and the timing of events could differ materially from current expectations.

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