



Highland Telephone Cooperative selects Calix E7 for Broadband Stimulus Project

\$66.5 million award to deliver advanced GPON services to rural Tennessee and Kentucky

PETALUMA, CA—October 4, 2010—[Calix, Inc](#) (NYSE: CALX) today announced that Broadband Stimulus award winner [Highland Telephone Cooperative](#) has selected the [Calix Unified Access portfolio](#) to deliver advanced broadband services to rural Tennessee and Kentucky. A \$66.5 million project, composed of a \$49.9 million loan and \$16.5 million in grants for plant engineering, materials, labor, and other costs, including access equipment, this ambitious “Fiber Forward” project will use gigabit passive optical network (GPON) technology to bring advanced broadband to approximately 18,000 homes, 1800 small businesses, and 100 anchor institutions.

“Just as the Tennessee Valley Authority brought opportunity and economic development to this region over half a century ago, we believe the Broadband Stimulus program is going to have the same impact in stimulating new development in this rural region of Tennessee,” said Fred Terry, general manager of Highland Telephone Cooperative. “As a result of the over 1700 linear miles of fiber planned to be deployed over the next three years, the communities in our region will be able to access and utilize advanced services over broadband like video, extremely fast high-speed data, and reliable voice services. We expect the impact of this initiative to be truly transformative for this region, and are confident that in partnering with Calix on this project, we are putting ourselves in the best position to make this initiative a success.”

The rural subscribers included in this initiative will be served via a combination of fiber access technologies, including GPON to all residences, businesses, and cell towers, and redundant ten-gigabit Ethernet (10GE) ringed transport technologies delivered via primarily the [Calix E7 Ethernet Service Access Platform \(ESAP\)](#). Selected for its

extensive scalability and capacity, the E7 ESAP will allow Highland Telephone Cooperative to efficiently adapt to both low and high density service areas in its network, while delivering up to 100 gigabits per second (Gbps) of bandwidth to each one-half rack unit slot in the chassis – which is expected to be enough capacity to meet the service demands of this regional network for a decade or more. The [C7 Multiservice Access Platform \(MSAP\)](#) will also be leveraged in the network, providing 10GE transport as well as business services support. Applications supported over fiber will include radio frequency (RF) video overlay with RF over glass (RFOG) interactive technology, Metro Ethernet Forum (MEF) business Ethernet services and traditional business services, and mobile backhaul. A variety of [Calix 700GE and 700GX optical network terminals \(ONTs\)](#) will be utilized, each capable of delivering broadband speeds to each residence and business of up to 1 Gbps and optimized for the identified applications targeted. To assist in implementation, Highland Telephone Cooperative intends to use [Calix Professional Services](#) for engineering, furnish, and installation (EF&I) services.

“The Highland Telephone Cooperative’s Broadband Stimulus project represents a great example of how an award can transform a region by bringing advanced, fiber-based broadband services to an estimated 52,000 people,” said John Colvin, vice president of field operations at Calix. “We congratulate all of Highland Telephone’s customers in Tennessee and Kentucky, most of whom will be transitioning from limited or no broadband access to some of the most advanced broadband services in the country, served by a network capable of delivering a full gigabit per second to each premises. Calix is proud of its role in helping Highland Telephone Cooperative to initiate this regional transformation, and the potential economic development, human services, and subscriber satisfaction that this network will bring for decades to come.”

With today’s announcement, aggregate Calix vendor selections by Broadband Stimulus winners for “last mile” Broadband Initiative Program award has now reached thirteen different projects representing over \$180 million in Stimulus-related grants,

loans, and private investment for plant engineering, materials, labor, and other costs, including access equipment.

About Calix

Calix is a leading North American provider of broadband communications access systems and software for copper- and fiber- based network architectures that enable communications service providers to connect to their residential and business subscribers. Calix has shipped over seven million ports of its Unified Access Infrastructure portfolio to more than 500 North American and international customers, whose networks serve over 40 million subscriber lines in total.

This press release may contain 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 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, except as required by law. Actual results and the timing of events could differ materially from current expectations, based on risks and uncertainties affecting the Company's business. The reader is cautioned not to unduly rely on the forward-looking statements contained in this press release. Additional information on potential factors that could affect Calix's results and other risks and uncertainties are detailed in its report on Form 10-Q for the fiscal quarter ended June 26, 2010, filed with the SEC on July 23, 2010, available at <http://www.sec.gov>.

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