

# Tele1 Europe Increases Dynarc Networking Equipment Contract To \$18 Million

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...Dynarc 5116 auto-provisioning routers selected for multiple metro area networks...

Dynarc, a leading provider of Service-Optimized Optical IP Rings, today announced an extended two-year contract with Tele1 Europe (NASDAQ: TEUR, Stockholm Stock Exchange: TEUR) to deploy a pan-Nordic network using Dynarc 5116's to deliver a broad set of advanced IP services to corporate customers located in major traffic hubs. The scope of the first two phases of the contract is valued at approximately \$18 million. Tele 1 Europe has placed an initial order for the first phase comprising \$6.1 million worth of Dynarc equipment that will be rolled out during second and third quarter of this year.

Following a successful deployment of Dynarc's existing products, Tele1 Europe, a fast growing data and telecommunications provider for large and midsized businesses in the Nordics, has now validated the new Dynarc 1000-5000 product line and decided to move to large-scale deployment. The aggressive roll-out plan will include immediate deployment of 160 Dynarc 5116 auto-provisioning routers in the major Nordic cities. The deployment in the optical metro networks will allow Tele1 Europe to provide fully resilient and enhanced high-speed services including bandwidth guarantees for its most demanding corporate customers. The cities will be linked together, also using the Dynarc 5116 auto-provisioning routers, for seamless cross-Nordic services. In order for Tele1 Europe to provide its Nordic customers with pan-European services, Tele1 Europe also plans to equip its European optical ring, which connects London, Amsterdam and Hamburg, with Dynarc routers.

"Dynarc's optical IP solution supports our business model to fast and securely provision the most sophisticated IP services on the market for demanding corporate customers. The new product line matches these requirements well," said Tele1 Europe CTO Tommy Ekström. "We were very satisfied with our first installation of Dynarc products and we're looking forward to implementing their new products in our expanding networks."

For the last six months, Dynarc's first commercially available metro router, the Dynarc 56 was successfully deployed in Tele1 Europe's optical access networks in Stockholm for backhauling DSL traffic. Now, the Dynarc 5116 auto-provisioning routers will be used to enable a broad set of enhanced IP services for corporate customers, including VPN services with a guaranteed 100 Mbps or higher IP-connection and Internet access. The inherent auto-provisioning capabilities of the Dynarc equipment help Tele1 Europe to retain and grow its customer base. The long-term competitive edge for carriers and services providers is based in their ability to quickly provision superior services, and Dynarc is committed to continue develop uniquely designed optical networking equipment that supports these business requirements.

"Dynarc and Tele1 Europe worked closely together in setting the requirements for the new product line. Our second generation product line has been extremely well received by the market, and today's contract justifies Dynarc's strategic direction and focus," said Olov Schagerlund, President & CEO of Dynarc. "This new contract proves Dynarc's ability to meet the scalability requirements of the demanding

carrier market.”

#### About Tele1 Europe

Tele1 Europe is a fast growing facilities-based pan-Nordic telecommunications operator headquartered in Stockholm, Sweden. It provides a broad range of communications services including voice, mobile services, data, and value added services, such as Centrex, to large and medium sized businesses in Sweden, Norway, Denmark and Finland. The company is commencing to build local access networks starting in the nine key Nordic cities, Stockholm, Gothenburg, Malmö, Copenhagen, Aarhus, Aalborg, Oslo, Bergen and Helsinki and establish what Tele1 believes will be the first competitive local exchange carrier (CLEC) to span the Nordic region. Tele1 Europe is publicly traded on NASDAQ (TEUR) and the Stockholm Stock Exchange.

For more information, please visit the web site at <http://www.tele1europe.com>

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#### About Dynarc

Dynarc, a leading provider of Service-Optimized Optical IP Rings, is leveraging the optical layer to provide advanced IP services-on-demand. Dynarc expands the business opportunity spectrum and strengthens the competitive position for communication service providers by offering uniquely designed equipment for optical IP networks. Dynarc's next-generation solutions address the needs and requirements of Metropolitan Area Networks (MANs) and optical access networks. Dynarc is committed to a RPR standard-based architecture that delivers intelligent bandwidth allocation while maintaining strict QoS levels and resiliency to the Optical Network. The company provides a simple and unique optical solution for building scalable, reliable, and high-performance networks for data, voice, and video traffic. Dynarc has dual headquarters in Sunnyvale, CA., and Kista, Sweden.

For more information, please visit Dynarc's web site at [www.dynarc.com](http://www.dynarc.com) or contact Sarra Mander/Charles King-Holford at Rainier at 020 7494 6580 or by e-mail at

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