

# Lightscape Networks, an ECI Telecom Company, Continues to Support Major Optical Communications Projects In China State Power Backbone With its XDM Solution

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XDM(tm) Optical Platform to be deployed in the Fifth Phase of China's Three Gorges Transformation and Transmission and Regional Interlink Communication Network Programme

PETAH TIKVA, ISRAEL, August 21, 2002 - Lightscape Networks, an ECI Telecom company (ECI Telecom: NASDAQ:ECIL) and an international leader in optical networking, announced that State Power Corporation of China has once again chosen its XDM(tm) next-generation optical networking platform for the fifth phase of its project to expand and upgrade its regional network. Having successfully completed four phases of testing and acceptance, this latest implementation of XDM, which introduces 10 Gigabit capacity to SPCC's infrastructure of Beijing Metro network, builds upon previous deployments of XDM within the national backbone. The XDM is currently transporting live traffic successfully within the communications infrastructure servicing the National power networks of the Three Gorges Project in China.

Lightscape Networks flagship XDM metro solution with long haul capability resides in State Power's backbone network and regional hubs in order to enable the Beijing-based operator to offer broadband network communications services alongside its established electricity business to numerous provinces and cities in the region including Hunan, Hubei, Henan, Hebei, Liaoning and Chongqing. The latter is the principal beneficiary of the Three Gorges Dam project, currently under construction, which will make the municipality's capital a terminus for ocean-going ships - 1,500 miles inland. State Power hopes the combination of inexpensive electricity, broadband communications access and improved river transportation will further open the region to international investment - turning the area into a major center for business.

We were greatly impressed by the fact that we could use the same XDM unit throughout our network from the metro backbone to the access layer, commented an official from the State Power Communication Centre of China State Power Company. This type of flexibility and ease of management allows us to tailor our expansion plans in accordance with real networking needs. He continued, 'The extremely stable, secure architecture of XDM with its multiple transport capabilities, integrates seamlessly with the existing SDH (Synchronous Digital Hierarchy) infrastructure of the Three Gorges network.'

'We are delighted to be given the opportunity again to assist State Power in the Three Gorges Project, said Anthony Chow, general manager of Lightscape Networks joint venture company HETC. This is the first time that State Power has adopted long haul multi-optical SDH equipment, demonstrating China's electricity industry shares Lightscape Networks vision of state-of-the-art international-standard communication technology and build-as-you-grow network communication platforms.

The XDM is a highly scalable metro optical networking platform featuring multiple SDH/SONET rings, Dense Wavelength Division Multiplexing (DWDM), on-demand network provisioning, powerful digital cross connects (DXC), and carrier class Gigabit Ethernet within a single device.

Lightscape Networks ongoing relationship with State Power is vital to the strategic development of our

business in China, said Ido Gur, vice president of marketing for Lightscape Networks. The XDM solution continues to receive growing endorsement from users around the world for its scalability, innovative single architecture design and ease of management. Through strategic deployment of the XDM platform, carriers can easily meet with the growing demand for bandwidth-demanding services by simply expanding the corresponding modules without the need of adding any equipment, thus enhancing network performance and functionality and minimising risk.

#### About State Power Corporation of China (SPCC)

State Power Corporation of China was founded on Jan. 16th 1997 under approval of China State Department. The corporation was set up and invested by the State Department and it is state-owned. It is the investor of the state-owned assets of its whole investment subsidiaries and majority/minority investment subsidiaries. The corporation is a principal party of investment and asset management under authorisation of the State Department. It is an economical entity of power delivery business and a corporation, which consolidates and manages the state power network. The registered capital of the corporation is RMB160 billion. The corporation is managed under a group mode. It has six subsidiaries, which are the North-east Company, Middle China Company, East China Company, North-west Company, South China Company and the Power Network Construction Company. It has 26 provincial power companies such as Shangdong Provincial Power Company. The North China Group, China Energy Group, Gezhouba Group and other companies, which belong to the former Ministry of Power Industry, are whole investment or majority/minority subsidiaries of SPCC according to the structure of their property right. SPCC was listed in the 77th position in the 2001 U.S. Fortune Magazine as the world's leading 500s corporations. For more information about SPCC, please visit:

<http://www.sp.com.cn/>

#### About Lightscape Networks

Lightscape Networks is a leading provider of next generation intelligent optical networking solutions. Leveraging more than 10 years of global experience, Lightscape Networks offers advanced optical platforms that combine instant provisioning with on-demand network scalability. The Company's highly dense, multi-service XDM is used by carriers to build flexible network topologies that cost-effectively scale to future demands. Lightscape Networks solutions are deployed in 45 countries worldwide and serve both major carriers and emerging service providers at all stages of optical network implementation. The Company has corporate headquarters in Petah Tikva, Israel and regional offices across Europe and Asia Pacific. In the USA the regional headquarters are in Herndon, Virginia. Lightscape Networks is a wholly owned subsidiary of ECI Telecom Ltd. For more information on Lightscape Networks, please visit <http://www.lightscapenetworks.com>

#### About ECI Telecom

ECI Telecom is a provider of advanced, telecommunications solutions. Focused mainly on the metropolitan optical and access markets, ECI Telecom enables leading service providers and carriers world-wide to maximize their capital investment and reduce operating expenses while providing voice, data, video and

multimedia services to their customers. ECI Telecom maintains a global sales and customer support network. Its solutions are an integral part of more than 500 telecommunications networks in over 145 countries.

Certain statements contained in this release may contain forward-looking information with respect to plans, projections or future performance of the Company. By their nature, forward-looking statements involve certain risks and uncertainties including, but not limited to, product and market acceptance risks, the impact of competitive pricing, product development, commercialisation and technological difficulties and other risks detailed in the Company's filings with the Securities and Exchange Commission.

\*Hangzhou ECI Telecommunication Company Limited is a joint venture formed by Lightscape Networks and Eastern Communications Company Limited.

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