

NEON Communications Selects ECI Telecom's XDM® Converged Metro Optical Transport Platform

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XDM® Chosen for Deployment And Expansion of NEON's Network in Northeast and Mid-Atlantic U.S. Regions

PETAH TIKVA, ISRAEL, - ECI Telecom's (NASDAQ:ECIL) Lightscape Optical Networks Division today announced that NEON Communications, a provider of advanced optical networking solutions and services in the northeast and mid-Atlantic U.S. markets, has deployed the XDM® multi-service optical platform within its extensive fibre optic network. NEON selected the XDM for its unique converged architecture, providing a flexible and cost-effective solution for network expansion and migration to next-generation services.

NEON has been developing its fibre optic network throughout the busiest U.S. telecommunications corridor since 1994. Today, the company's optical network covers Tier 1, Tier 2, and Tier 3 markets from Maine to Washington, D.C. and the company offers a broad range of high bandwidth, advanced optical networking services and solutions to its customers. By deploying the XDM converged solution in their network, NEON is able to support increased customer demands, sustain their leadership in the market, and reduce the lifecycle cost of its network while also supporting next-generation services such as managed wavelengths, GigE and video.

The XDM single architecture solution is used for metro and regional DWDM, next generation SONET, Metro OXC and GigE networking, thus significantly reducing CapEx and OpEx for providers. With the XDM's unique "Build As You GrowT" architecture, NEON can add new services and migrate to any technology and network topology with systems already deployed in the field, significantly increasing their flexibility and scalability.

"The selection of ECI's XDM platform was a strategic move for us," commented Ron Steele, CTO, NEON Communications. "We evaluated and tested numerous next generation, hybrid network elements prior to choosing the XDM. Our key considerations in selecting the XDM were a single system and a unified management platform that would functionally and effectively assume the role of two or three legacy systems, could be leveraged in a wide range of network applications from metro to core, supported a breadth of mesh and ring network topologies, provided adequate scalability to meet future network growth and yet minimised our deployment and operating costs." Mr. Steele continued, "In our intensive competitive bake-off, ECI was a standout, while for most of the competition it was mission impossible. In the end, the XDM's robust design and ECI's commitments to the support of its product and the success of NEON made this a relatively easy decision."

"We are very excited about this new partnership with NEON. To be picked over our competitors as the principal technology vendor for a major project is a real privilege and affirms our strength and dedication to our customers," commented Emanuel Nachum, VP Marketing for ECI's Lightscape Optical Networks division in the US. "We worked on a very tight schedule to substantially complete our first project within three weeks of contract execution. XDM enabled NEON to efficiently and rapidly deploy new regional network capacity to meet the technologically demanding needs of a large media industry customer."

The XDM's pioneering single architecture approach converges intelligent metro/regional DWDM optical networking capabilities, multiple SONET/SDH rings, digital cross connects (DXC), carrier-class Gigabit Ethernet and on-demand network provisioning within a single device. The XDM's unique "Build-as-you-Grow" architecture allows customers to expand their networks gradually and steadily according to bandwidth and service demands.

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About ECI Telecom

ECI provides advanced, telecommunications solutions to leading carriers and service providers, worldwide. By translating a deep understanding of its customers' needs into innovative, technologically excellent solutions, ECI enables its customers to increase the value of their networks and reduce operating expenses. ECI's platforms enable carriers and service providers to easily introduce new revenue-generating services. Established half a century ago, ECI has pioneered key technologies including voice compression, SDH, DSL, and has enabled the establishment of global networks. ECI specializes in metro optical networks, broadband access, bandwidth management and carrier-class VoIP solutions.

About NEON

NEON Communications is a premier regional service provider of advanced optical networking solutions and services for customers in the northeast and mid-Atlantic markets. For more information about NEON Communications, please visit www.neoninc.com.

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.

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