

RAD Closes 2005 with US\$150 Million in Global Sales

Increase of 10% over 2004; Orders Increase 14% Australian sales and orders increase by 30% Announces first-to-market carrier-class Ethernet solutions Sydney, 22 February 2006 Privately held RAD Data Communications, internationally recognised as a leading manufacturer of network access equipment for data communications and telecommunications applications, today announced total revenue for 2005 reached US\$150 million, an increase of more than 10 percent over the previous years figures. Orders in 2005 rose 14 percent over 2004. In Australia, RAD has experienced very strong growth, with both sales and orders increasing by 30 percent over 2004. RAD Datas Australian Managing Director, Udi Furman said that the Australian market was very robust, and continued to show strength in 2005 with growing investments in all telecom sectors. RAD Australia has also focused on developing and maintaining existing contacts within our customer base, as well as building local relationships with worldwide partners such as Alcatel, Huawei, Siemens and Nortel. This has resulted in some substantial contract opportunities, Mr Furman said. We continue to be very optimistic about the strength of the Australian market. Efraim Wachtel, President and CEO of RAD Data Communications said that the companys growth in 2005 reflects strong channel results over a broad geographical area; significant repeat customer purchases; and solid market penetration for devices released at the end of the previous year. This upward trend is expected to accelerate in the coming years as the company rolls out additional product solutions that support multiple services over a variety of physical interfaces and across different network technologies. RAD is focusing its corporate activity on segments with high growth potential such as carrier Ethernet access, pseudo-wire emulation and cellular backhaul. We are also continuing to invest in mature technologies that serve users whose applications rely on traditional network configurations, he said. Carrier-Class Ethernet This year, RAD will unveil the worlds first-to-market pre-standard implementation of ITU Y.1731 and IEEE 802.1ag, which define new end-to-end, carrier-class Operations, Administration and Maintenance (OAM) tools for Ethernet networks. These new capabilities enable Ethernet service providers to proactively monitor their service end-to-end, an advantage that both minimises operational expenses and allows guaranteeing SLAs with customers. In addition, RAD has become the first manufacturer in the world to offer a series of miniaturised Fast Ethernet-over-PDH and SDH/SONET connectivity devices housed in standard SFP (Small Form-factor Pluggable) packages. These miniature products can be plugged into any regular MSA (Multi-Source Agreement) compatible socket to provide remote bridging over E1/T1 and E3/T3 lines. RAD has taken the lead in helping carriers and their business customers to benefit from rapid, low-cost deployment of Ethernet-based services over any network infrastructure, Wachtel said. RAD has been working hand-in-hand with other leading vendors and major service providers to standardise the technology and service definitions for the emerging carrier Ethernet access network. RADs customers include organisations in industry, finance, the military, education, transportation, commerce, public utilities and telecommunications. The company also works closely with leading carriers and service providers to supply system solutions and expertise for building public and private access networks for virtually any technology over any infrastructure. About RAD Established in 1981, privately owned RAD Data Communications has achieved international recognition as a major manufacturer of high quality access equipment for data communications and telecommunications applications. These solutions serve the data and voice access requirements of service providers, incumbent and new carriers, and enterprise networks, by reducing infrastructure investment costs while boosting competitiveness and profitability. The company's installed base exceeds 8,000,000 units and includes more than 150 carriers and operators around the world. These customers are supported by 18 RAD offices and more than 200 distributors in 105 countries. RAD is a member of the RAD Group of companies, a world leader in networking and internetworking product solutions. RAD Data Communications site: www.rad.com.