



Arbor Networks Announces Definitive Agreement To Acquire Ellacoya Networks

Lexington, Mass., January 17, 2008 – Arbor Networks, a leading provider of secure service control solutions for global business networks, announced today that it has signed a definitive agreement to acquire Ellacoya Networks, a leading provider of carrier-class broadband service optimization solutions. Terms of the transaction were not disclosed.

Arbor Networks protects more than 70% of the world's service provider networks from security threats such as DDoS attacks, botnets and worms as well as network issues such as traffic and routing instability. Arbor combines pervasive, network-wide visibility with deep applications insight to give customers the business intelligence necessary to protect and manage their networks, and to create and deploy new revenue-generating services. Ellacoya is a leader in deep packet inspection (DPI) solutions deployed at the broadband edge and peering links in some of the world's largest Tier 1 service provider networks, providing precise visibility into traffic along with the ability to prioritize traffic on a per-subscriber and per-application basis. In addition, the Ellacoya solution is used to deliver new products and services, such as IPTV, digital video and on-demand quality-assured broadband services.

Arbor believes that the acquisition positions the company to take advantage of a significant market opportunity as service providers place increased importance on traffic and service management in order to efficiently and securely deliver new, revenue-generating IP services. The company estimates that the combination of the traditional Infrastructure Security and Service Control and DPI markets creates a \$750 million market opportunity in 2008, which should grow to \$1.5 billion by the end of this decade.

The combined product family will enable service providers to detect and mitigate the full range of network-based attacks and extend protection from the service provider core down to the broadband edge. Additionally, allowing a service provider to employ both flow-based and DPI-based technologies will enable measurement and protection of the entire service delivery infrastructure, without the cost of deploying inline devices throughout the entire network. This powerful combination will improve network performance and customer satisfaction while enabling service providers to deliver the full-spectrum of IP-based business lines, including wireless, wireline, IPTV and VoIP solutions.

"With the addition of the Ellacoya technology and customer base, Arbor Networks will be in a unique position to deliver both broad and deep visibility to protect and manage networks worldwide. We believe that customers will realize enormous value from this strategic and best-in-class combination," said Jack Boyle, chief executive officer at Arbor Networks. "Through Ellacoya, Arbor Networks is adding a team of professionals with exceptional skills and a culture that is highly complementary."

"This exciting combination will address some of the most critical issues facing service providers today," said Gerald Wesel, chairman and chief executive officer of Ellacoya Networks. "Arbor's flow-based security and network-wide analysis, combined with Ellacoya's DPI capabilities, will provide customers with the intelligence they need to deliver personalized next-generation services that are the key to customer satisfaction and future revenue."

In acquiring Ellacoya, Arbor Networks is delivering on its mission to deliver secure service control solutions for global networks. Arbor's growth strategy is based on three key elements: 1) international market expansion; 2) organic revenue growth; and 3) acquiring new products and technologies that expand and augment its solution set.

About Arbor Networks

Arbor Networks is a leading provider of security and network management solutions for global business networks, including more than 70 percent of the world's internet service providers and many of the largest enterprise networks in use today. Arbor delivers secure service control solutions that both protect global networks from the edge to the core from a host of threats, as well as help customers gain network-wide visibility they can translate into actionable business intelligence to generate new forms of revenue and maintain competitive advantage. Arbor's solutions give customers a single, unified view into their networks' performance, helping them quickly detect anomalous behavior, mitigate threats and enforce policy. Arbor also maintains the world's first globally scoped threat analysis network – ATLAS – which uses technology embedded in the world's largest ISP networks to sense and report on comprehensive worldwide threat intelligence.

To learn more about Arbor Networks, please visit: <http://www.arbornetworks.com>. To learn more about ATLAS, please visit: <http://atlas.arbor.net>. To learn more about the Arbor Security Engineering & Response Team (ASERT) – the company's security research arm – please visit the ASERT blog: <http://asert.arbornetworks.com>.

About Ellacoya Networks

Ellacoya Networks is a leading provider of carrier-grade service control solutions that leverage deep packet inspection (DPI) technology to give broadband service providers the visibility and control necessary to optimize Internet services for their subscribers. Ellacoya's award-winning e30 and e100 DPI platforms leverage patented award-winning custom hardware and a rich suite of software applications to classify and control applications on a per-subscriber basis, improve performance and customer satisfaction, and deliver revenue-generating IP services. Deployed in over 160 service provider networks world-wide, including some of the world's largest carrier IP networks, its solutions provide the scalability and functionality necessary for service providers to enable more compelling applications and competitive service offerings -- and to profit from them. Ellacoya Networks is privately held and based in Merrimack, New Hampshire with offices in London, Tokyo and Singapore. For more information contact us at US +1 603.577.5544 or visit us at www.ellacoya.com.

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FORWARD-LOOKING STATEMENTS: *Please note that this press release contains statements regarding Arbor Networks definitive agreement to acquire Ellacoya Networks, which may be considered forward-looking within the meaning of the U.S. federal securities laws. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from results expressed or implied in this press release. Such risk factors include those related to the review, closing and subsequent integration of the Ellacoya acquisition, maintaining customer and partner relationships; the anticipated growth of certain market segments; the competitive environment in the software industry; and the degree to which these combined products and businesses gain market acceptance.*

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