



NARAD NETWORKS SECURES \$17.5 MILLION IN FUNDING LED BY ARGO GLOBAL CAPITAL

WESTFORD, Mass., January 12, 2003 - Narad Networks, Inc., a provider of broadband access solutions that leverage MSOs' existing HFC assets, today announced it has secured \$17.5 million in financing from new and existing investors. The equity financing was led by new investor Argo Global Capital and included support from existing investors Polaris Venture Partners, Sofinnova Venture Partners, Vertical Group, and General Catalyst.

"The investment community's support and confidence in our business solutions and technology is deeply gratifying," said Craig Dynes, chief executive officer of Narad Networks. "The addition of Argo as a new investor, along with the continued commitment of Polaris and our other existing investors, is further validation of Narad as we continue to deploy our solution with US MSOs. Narad provides cable operators an extremely cost effective way of addressing the broadband IP needs of small-to-medium sized businesses and government, medical, and educational networks."

Narad's business broadband technology leverages the cable operators' existing hybrid fiber coax (HFC) networks to deliver competitively priced data and voice services to commercial customers including small to medium sized businesses (SMBs), enterprise customers, WiFi network operators, schools, and municipalities, while minimizing capital expenditures and maximizing return on investment. Narad's solution addresses the large middle segment of the SMB market that cannot be adequately served by cable modem and cannot economically justify the high cost of constructing fiber.

As a result of Argo Global's leadership in this funding round, Argo senior partner Douglas Schrier will join the Narad board. Mr. Schrier has been working with venture-backed companies since 1992. During that time, he has invested over \$200MM in sixteen companies; three of the sixteen have gone through successful IPOs, three have been acquired, and the remaining ten are all still operating. "We are very excited about our new investment in Narad," said Schrier. "Narad is addressing a new category in the cable industry that provides operators additional revenue opportunities without significant capital expenditures, and we're pleased to support Narad in tapping into the tremendous opportunities in the commercial services sector."

About Narad Networks

Narad Networks enables the delivery of profitable broadband IP services over the existing cable infrastructure by creating managed Virtual Fiber™ networks that minimize the operator's capital expenditure and maximize their return on investment. The company's solutions utilize the previously unusable frequency spectrum above 860MHz to overlay switched Ethernet capabilities onto existing HFC networks. The

solution can be installed in phases, only adding equipment to those portions of the plant that lie directly between the node and the business customers to be served to roll out services such as enterprise internet access, virtual private networks, and VoIP. Business customers include small-to-medium businesses (SMBs), mobile and WiFi operators, enterprise customers, schools and municipalities.

Founded in July 2000 and based in Westford, Massachusetts, Narad Networks is a privately held company with venture funding from Polaris Venture Partners, Argo Global Capital, and other leading venture capital firms and industry entrepreneurs. For more information, visit www.naradnetworks.com.

About Argo Global Capital

Argo Global Capital is a leading venture capital firm with \$480MM under management, focused on investing in communication technology companies. Argo takes an active role in helping portfolio companies achieve their business vision. Argo's investment professionals contribute strong operational and technical backgrounds, and have extensive experience in private equity investment and international business. Argo's unique relationship with telecommunications operators and industry partners on four continents provides relationships and knowledge that add real value. Argo is based in Boston with investment professionals in London, Hong Kong and Montreal. Additional information is available at www.argoglobal.com.

About Polaris Venture Partners

With over \$2 billion under management, Polaris Venture Partners is a partnership of experienced venture capital investors and technology executives. Polaris assists entrepreneurs in building exceptional information and medical technology companies. Polaris-backed companies have included: Advanced Inhalation Research (AIR) (sold to Alkermes), Akamai Technologies, Inc. (NASDAQ: AKAM); Allaire Corporation; Aspect Medical Systems (NASDAQ: ASPM); Centra Software (NASDAQ: CTRA); deCODE Genetics (NASDAQ: DCGN); Paradigm Genetics (NASDAQ: PDGM) and Solidworks (sold to Dassault Systèmes). The company has offices in Boston and Seattle. More information about Polaris Venture Partners is available at www.polarisventures.com.

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