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Liquid Bandwidth Flows Across UK Delivered by Neos Using Nortel 40G-Ready Optical Solution

Nortel Wins Next-Generation Neos Optical Contract, Selected to Implement 40G Network for Delivery of Bandwidth On Demand for UK Businesses

LONDON -- Neos Networks is delivering the nationwide network capacity to meet customer demand for increasingly advanced applications such as Internet video and new business communication services, thanks to a 40G-ready optical solution from Nortel* [NYSE/TSX: NT]. With its new optical network in the UK, Neos customers can select exactly how much bandwidth they need, when they need it on the network.

The optical solution for Neos will use Nortel's powerful new [40G/100G Adaptive Optics Engine](#), introduced today (see companion announcement, *Nortel Meets Bandwidth Explosion with New, Revolutionary 40G to 100G Optical Solution* [\[hyperlink\]](#)). Neos is initially deploying a 10G live network, which provides the foundation of the 40G network, and will be trialing the 40G network elements next month.

Neos Networks' portfolio of bandwidth services, running over the new optical network, includes a product called Liquid Bandwidth which enables customized networking solutions with the flexibility to increase or decrease bandwidth seamlessly and quickly when required. Neos Networks, the telecommunications business owned by Scottish and Southern Energy plc, is one of the UK's leading network operators and offers a portfolio of reliable and flexible connectivity services, including fast-growing Ethernet services, to meet the commercial needs of UK businesses and wholesale customers.

"Our customers depend on us to deliver reliable, high-speed, very high-bandwidth services on demand, said Adrian Pike, managing director of Neos Networks."Our Liquid Bandwidth product enables us to deliver dynamic Ethernet connectivity to suit their day-to-day business requirements. We chose the Nortel solution for our nationwide optical network because we needed a proven, flexible and scalable platform to support our Liquid Bandwidth offering. The Nortel platform also allows us to deliver cost-effective point-to-point Gigabit Ethernet 2.5G and 10G services today and enables us to scale to 40G services simply and cost-effectively while providing the most promising migration path to 100G – all with the same network and operational simplicity, this was a critical factor in our selection process."

"The ability to throttle bandwidth as required is a competitive differentiator for Neos, especially as they ramp up to 40G. This offers incredible flexibility for their customers, allowing them to purchase their bandwidth a la carte and paying only for what they need," said Philippe Morin, president, Metro Ethernet Networks. "Neos' next-generation network positions them to support the megatrend of Hyperconnectivity where proliferations of devices that can and should be connected to the network will be. Put simply the Neos network can flow with their business and deliver the bandwidth on demand, in the required topology to meet customer requirements."

To deliver the initial 10G and 40G network services, Neos selected Nortel's optical network solution that allows service providers to connect high-growth Ethernet services with low deployment and operational costs. Furthermore aggregation of traffic onto 40G wavelengths on the busiest routes saves capacity and "future-proofs" the network.

The foundation of the Nortel 40G/100G Adaptive Optics Engine relies on Dual Polarization Quadrature Phase Shift Keying modulation with coherent detection which enables 40G transmission over a cost-effective 10G network design. The same technology can be used for volume deployable 100G transmission and leverages the full value of Reconfigurable Optical Add/Drop Multiplexing (ROADM) for agile all optical networking. The Nortel 40G/100G Adaptive Optics Engine allows information-carrying 40G lightwaves to be carried beyond 2000km requiring less network equipment to plan for, deploy, and maintain – resulting in the most attractive cost-structure. Neos' solution also includes Nortel's Optical Multiservice Edge 6500 and Common Photonics layer products.

The Nortel Optical Network Manager will provide the required operations administration and management for the network and together with advanced network planning tools will enable build and operation of the network and management of services.

About Neos Networks Ltd

Neos Networks is part of the Scottish and Southern Energy Group, a FTSE Top 40 company employing 14,000+ staff with a turnover of £11.9 billion. Formed in 1997, Neos' objective was to provide innovative, flexible and cost-effective communications solutions to its customers and this mirrors its ongoing philosophy. Neos is one of the most financially secure service providers in the UK, not to mention profitable. Achieving substantial new business growth in 2007 while maintaining minimal customer churn. This has been achieved by investing in the network, putting customers first, delivering quality projects on time and on budget and ensuring an extremely high service level once installed. Neos is a network operator with a product set focused on the provision of L1 and L2 connectivity for other carriers, network integrators and B2B delivered over its extensive owned UK fibre network.

About Nortel

Nortel is a recognized leader in delivering communications capabilities that make the promise of Business Made Simple a reality for our customers. Our next-generation technologies, for both service provider and enterprise networks, support multimedia and business-critical applications. Nortel's technologies are designed to help eliminate today's barriers to efficiency, speed and performance by simplifying networks and connecting people to the information they need, when they need it. Nortel does business in more than 150 countries around the world. For more information, visit Nortel on the Web at www.nortel.com. For the latest Nortel news, visit www.nortel.com/news.

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