

BroadLight Welcomes Siemens Venture Capital as Newest Investor in Company

*Siemens Venture Capital (SVC) completes \$13.5 million round C
investment*

March 15, 2004, Ramat Gan, Israel – BroadLight Inc., the leading supplier of communication semiconductors and optical transceivers for cost-effective FTTP (Fiber-to-the-Premises) PON (Passive Optical Networking) solutions, announced today that Siemens Venture Capital (SVC) has joined as the newest investor in BroadLight. Siemens Venture Capital added to BroadLight's Series C round, bringing the total round to U.S. \$13.5 million. This round had a first closing on February 11th, 2004 led by new investors Israel Seed Partners, with strong participation by prior investors Star Ventures and Delta Ventures and two strategic investors.

“Siemens is investing in BroadLight because the company has the product mix, business plan and management team to be successful,” said Bjoern Christensen, president and CEO of Siemens Venture Capital, “Broadlight supplies all of the key building blocks for Tier 1 equipment vendors to rapidly develop and bring to market FTTP systems – a compelling position to be in to compete in this space.”

During 2003, BroadLight gained market recognition as the leading incumbent BPON (Broadband Passive Optical Networking) component vendor by supplying low-cost, high-performance and easy-to-integrate component solutions to Tier 1 equipment vendors who are introducing FTTP systems. The company is currently shipping production quantities of its BPON MACs, optical transceivers, and software to leading equipment vendors around the world.

"We are excited to welcome SVC as investor," said Anthony T. Maher, managing partner at Star Ventures and chairman of BroadLight, "BroadLight will use these funds to increase its commitment to next generation PON products. Wide availability of standard compliant chipsets helps reducing systems cost, and accelerates deployment of FTTP services worldwide."

“We are pleased with BroadLight's rapid customer traction over the last year,” said Gerd Goette, investment partner at SVC. “With our investment, we are helping the company strengthen its leading position in the emerging market for Triple Play-Voice Video and Data BPON and GPON technology solutions.”

The funds will be used by BroadLight to set up its headquarters in the USA, expand its already healthy customer base, and increase R&D efforts for standards compliant PON transceivers, semiconductor components and software stacks.

About BroadLight

BroadLight delivers cost-effective PON components that enable high-performance, end-to-end, easy-to-integrate FTTP solutions. BroadLight develops standards-based digital, analog and optical communication components, software stacks and algorithms for equipment vendors who are looking to integrate high-performance PON solutions for carriers and service providers. With the best price/performance in

the industry, BroadLight is a world leading PON components vendor, providing the solution that is driving the deployment of FTTP today. The company is committed to work closely with equipment vendors and carriers to support them throughout the project planning and integration process.

About Siemens Venture Capital:

Siemens Venture Capital (SVC) is the corporate venture organization for all Siemens' businesses worldwide. SVC plays a key role in the Siemens global network of innovation. The goal is to identify and fund investments in emerging and innovative technologies that will enhance the core business scope of Siemens. The investment focus is to augment the efforts of various Siemens business segments such as Information and Communications, Automation and Control, Medical Solutions, Transportation Systems and Power. To that end, SVC invests in the following technology growth areas:

- Wireline and wireless communication
- Industrial automation solutions
- Healthcare solutions and medical diagnostics
- Automotive and networked transportation systems
- Energy management

To date, SVC has invested some 500 million euros in more than 70 start-up companies and 30 venture capital funds mainly in the U.S., Europe and Israel. SVC is located in Germany (Munich) and in the U.S. (San José, CA and Boston, MA). For more information please visit our Web site: www.siemensventurecapital.com

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