



Contact: Rick Sacks
973.467.8728
rick@smartpr.net

**Battelle Ventures, Affiliate Invest in Nistica, Supplier of Agile Optical Modules;
Lead \$9-million Series B Round To Boost Broadband Triple Play Networks**
Nistica also reports \$1 million investment from N.J. Economic Development Authority

PRINCETON, N.J., Feb. 25, 2008 – Battelle Ventures, LP, and its affiliate fund, Innovation Valley Partners (IVP), have led the \$9-million Series B funding round of Nistica, Inc., a global supplier of agile optical modules that simplify, automate and make affordable the delivery of high-bandwidth applications.

“Nistica differentiates itself from others in the agile optical networking (AON) field by being able to combine low cost with high performance, enabling systems providers across multiple industries to meet broadband demand for the ever-increasing ‘triple play’ of market applications in voice, video and data,” said Battelle Ventures/IVP General Partner Ralph Taylor-Smith. “Others who are in the triple-play supply chain simply haven’t succeeded on the low-cost front.”

The company’s patented FLEDGE technology platform, on which its initial suite of Telcordia-qualified products is based, he said, enables edge networks to scale at healthy margins through agile optical modules. “Cost-effective optical switching between the network core and the access infrastructure is the key to meeting the high-bandwidth delivery requirements of gigabit Ethernet, video on demand (VOD), and broadband digital multimedia services,” Taylor-Smith continued.

“We were first to market with a new class of lean, agile optical modules to automate the edge and metro core of service-provider networks,” said Ashish Vengsarkar, Nistica CEO, noting that today the company also separately announced its fourth product offering, with the introduction of FULL FLEDGE to meet growing demand for cost-effective Reconfigurable Optical Add/Drop Modules (ROADMs) in core network nodes.

“Our FLEDGE modules deliver high optical performance at up to 80% lower first costs over comparable products deployed in core networks,” continued Vengsarkar, a serial entrepreneur, creator and evangelist of first-generation ROADM systems. “FLEDGE modules unlock stranded bandwidth and enable dynamic provisioning and wavelength management at a fraction of traditional ROADM costs,” he said.

Vengsarkar said that Series A participants Novitas Capital (formerly PA Early Stage Partners), Technology Venture Partners and private investors joined the round, as did new, strategic investor Finisar Corporation [NASDAQ: FNSR], a leader in fiber-optic solutions for high-speed networks, with which Nistica separately announced a partnership today.

(more)

He also reported that the three-year-old Bridgewater, N.J.-based company had received a \$1-million Edison Innovation Fund investment from the New Jersey Economic Development Authority, for a total post-Series A capital infusion of \$10 million.

“We made this investment for a couple of reasons,” said Taylor-Smith. “First is the winning combination of technology, talent and timing. The company has developed substantial in-house intellectual property; the management team has deep, direct experience; and the market is primed for the emergence of an agile optical module vendor with disruptive cost models.

“Equally important, Nistica has its own ‘triple play of customer applications’ in the marketplace,” continued Taylor-Smith. “Not only does the company help solve commercial broadband carriers’ bandwidth problems, but it can also meet the growing need for compact optical instrumentation in the test & measurement industrial sector, as well as address photonic applications in the defense and government security sectors,” he explained.

Taylor-Smith joins the company’s Board of Directors, chaired by William Cadogan, former chairman and CEO of ADC Telecommunications and investor in Nistica. Other Board members, in addition to CEO Vengsarkar, are: Novitas Managing Director Michael Bolton; Technology Venture Partners Managing General Partner Bryson Hollimon; and company founder and CTO Thomas Strasser.

Since the \$5.2-million Series A round in 2006, said Vengsarkar, the company “has significantly expanded in global markets, with a strategic partnership with Fujikura, Ltd., and has more than a dozen customers worldwide.” The current round, he said, will enable the company to scale production, introduce products and expand customer support.

About Battelle Ventures and Innovation Valley Partners

Battelle Ventures, L.P., a Princeton, N.J.-based venture fund, and its Knoxville, Tenn.-based affiliate fund, Innovation Valley Partners (IVP), have a combined \$255 million under management for creating and accelerating the development of early-stage technology companies with breakthrough solutions to multiple marketplace problems. The funds enjoy unique relationships with the technology transfer offices of six U.S. Department of Energy (DOE) National Laboratories and have established similar associations with a number of university tech transfer and commercialization departments. Battelle Ventures was established in August 2003 with a sole limited partner – Columbus, Ohio-based Battelle Memorial Institute (Battelle), the world’s largest nonprofit independent research and development organization. Battelle manages/co-manages six National Laboratories for the U.S. DOE. IVP, launched in August 2005, is backed by Eastern Tennessee business leaders and works closely with regional research and entrepreneurial communities, giving the funds a strong presence in the Southeast. The \$220-million Battelle Ventures fund and the \$35-million IVP fund invest side by side in all deals. For information about the funds’ joint portfolio, go to www.battelleventures.com. To learn more about Nistica, go to www.nistica.com.

Note: Battelle Ventures and Innovation Valley Partners are registered trademarks of BVP Partners, LLC. The names of other organizations, companies, products or services mentioned herein may be the trademarks of their respective owners.