

**Zhone Technologies, Inc.**

@ Zhone Way  
7001 Oakport Street  
Oakland, CA 94621  
Phone: 510.777.7000  
Fax: 510.777.7001

[www.zhone.com](http://www.zhone.com)



**Z H O N E.**

January 18, 2008

Dear Customer:

I wish to inform you that on January 16, 2008 Sorrento Networks, Inc. acquired assets relating to the GigaMux product families from Zhone Technologies. This includes the GigaMux 50, GigaMux 1600, GigaMux 3200 and GigaMux 6400 product lines.

Sorrento Networks focuses on the metro optical access market with the goal to deliver growth potential to your business by providing exceptional support for existing GigaMux products and by expanding the GigaMux portfolio to offer new advanced services and capabilities.

Sorrento is staffed to immediately address your GigaMux sales, service, and support needs. As a valued customer, you will continue to receive Zhone's service and support for the balance of your other Zhone products. Should this transaction materially affect any previously contracted business practices, we will be contacting your purchasing organization to discuss and resolve any issues.

For your convenience, a FAQ from Zhone and a Q&A document from Sorrento on the acquisition are attached, including some of the personnel you might have a need to contact for specific services. Sorrento will also be contacting you to answer any questions you may have relating to this transaction.

From all of us at Zhone, we thank you for your business and we look forward to working with you to deliver network solutions in the future.

Sincerely yours,

David Misunas  
Vice President, Business Development  
Zhone Technologies, Inc.

# FAQ for Customers on the GigaMux Business Unit Sale to Sorrento Networks

## 1. GENERAL QUESTIONS

### 1.1 *What have Zhone Technologies and Sorrento Networks decided to do?*

Zhone Technologies has sold the GigaMux 6400, 3200/1600, and 50 product families to Sorrento Networks, Inc. ("Sorrento") effective January 16, 2008.

As part of this agreement, Sorrento will accept new orders for systems and extensions and will assume product support responsibility for these products, including customer service, repair and return, and warranty.

### 1.2 *Who is Sorrento Networks*

Sorrento Networks was acquired by Zhone Technologies in 2004. Today, the Sorrento brand and product lines are being resurrected by co-founders Jim Nevelle and Tim Anderson with the acquisition of the GigaMux product line from Zhone. The new Sorrento Networks will provide service and support to all existing GigaMux customers worldwide and will focus research and development efforts to expand its portfolio of edge-to-regional CWDM, DWDM and ROADM solutions for carriers and enterprises.

### 1.3 *What is the scope of this Agreement?*

With the closing of this agreement, Sorrento Networks will assume full responsibility for the sales and support of the GigaMux 6400, 3200/1600, and 50 product lines. This includes responsibilities for:

- Sales
  - Sorrento will continue to sell the GigaMux products to customers.
- New Orders
  - Effective with the closing of the contract on January 16, all new orders for GigaMux equipment will be fulfilled by Sorrento Networks. Purchase orders received by Zhone after the closing date will be redirected to Sorrento for order verification, acknowledgment, booking, scheduling, and shipment by Sorrento.
- Customer Service
  - Sorrento has a staff of technical support personnel that will support the GigaMux products effective with the closing of the sale. Sorrento is retaining the service staff that currently supports the product both domestically and internationally.
- Warranty
  - Current warranty obligations for the affected products will transfer to Sorrento. As existing contracts expire, Sorrento will establish new after-warranty service contracts with customers.
- Repair & Return
  - Sorrento will perform this function for all GigaMux equipment.

**1.4 How will this decision affect the plans of customers who are currently deploying the GigaMux portfolio?**

Customers currently deploying GigaMux products should be encouraged by this transaction. Sorrento's acquisition of Zhone's GigaMux business assures customers of continued support and development focused on optical transport products. Zhone's customers, familiar with this product line, can continue to plan and deploy these products with Sorrento.

## **2. ORDERING & DELIVERY**

**2.1 When will customers begin ordering from Sorrento?**

With the closing of the business transaction on January 16, 2008, customers should begin to order GigaMux products from Sorrento effective immediately. Orders and inquiries should be directed to Chris Garcia at +1.510.577.1480, [cgarcia@sorrentonet.com](mailto:cgarcia@sorrentonet.com).

**2.2 Will Zhone Technologies continue to accept orders on GigaMux products from customers after this date?**

No, effective January 16, 2008, Zhone will no longer accept orders for GigaMux products.

**2.3 Will current Zhone commitments to existing customers for GigaMux business transfer to Sorrento? Can Sorrento change existing price levels for customers?**

Sorrento will honor any existing purchase agreements and current warranty obligations though the terms of the existing contracts. Future pricing for this product line will be at Sorrento's discretion.

### **3. ONGOING SUPPORT**

#### **3.1 *Is Sorrento taking over the support of the installed base?***

Sorrento will support the GigaMux product line and the existing customer installed base.

After January 16, customers should contact Sorrento for support of the GigaMux products at +1.510.577.1499, [support@sorrentonet.com](mailto:support@sorrentonet.com).

#### **3.2 *My customer has an existing service contract with Zhone Technologies. How is that affected by this announcement?***

As part of the sale of the GigaMux line of business, Sorrento will assume overall responsibility for support contracts with existing customers. In some instances, Zhone must obtain customer authorization to transfer responsibility associated with existing service contracts, and will endeavor to complete this process with all such contract customers as soon as possible.

All customers that are not covered by an existing service contract should contact Sorrento Customer Service +1.510.577.1499 or [support@sorrentonet.com](mailto:support@sorrentonet.com) in order to setup a contract and receive service. Calls received by Zhone from non-contract customers will be referred to the Sorrento support line.

As Sorrento has hired Zhone's support staff for the GigaMux products, all support and service after January 16 will be handled by Sorrento.

#### **3.3 *How will repair and return for these products be handled? Who will maintain spare/replacement circuit packs for these products?***

Sorrento will, effective immediately, provide repair and return services for the GigaMux product line, and existing spare / replacement circuit packs and inventory have been transferred to Sorrento as part of the sale of the GigaMux line of business. Customers can arrange for RMA services by contacting Sorrento Customer Service at +1.510.577.1499.

#### **3.4 *How will existing customer Service Requests (SRs) be handled?***

Customers should see no change. SRs will be kept open and continue to be worked by Sorrento support staff.

## 4. KEY CONTACTS

*Who can customers contact in Sorrento or Zhone for more information?*

### **Sorrento Contact Information:**

<b>Function</b>	<b>Contact</b>
<b>Sorrento Business Matters</b> Jim Nevelle, CEO  Tim Anderson, President and COO	<a href="mailto:jnevelle@sorrentonet.com">jnevelle@sorrentonet.com</a> 303.898.2913 <a href="mailto:tanderson@sorrentonet.com">tanderson@sorrentonet.com</a> 303.396.4444
<b>Sorrento Sales</b> <b>US &amp; International:</b> Chris Garcia	<a href="mailto:cgarcia@sorrentonet.com">cgarcia@sorrentonet.com</a> 510.577.1480
<b>Engineering/Product Management</b> Chris Garcia	<a href="mailto:cgarcia@sorrentonet.com">cgarcia@sorrentonet.com</a> 510.577.1480
<b>Customer Service TAC</b>	<a href="mailto:support@sorrentonet.com">support@sorrentonet.com</a> 510.577.1499
<b>Press Relations</b> Michelle Chase	<a href="mailto:michelle@chasecomm.net">michelle@chasecomm.net</a> 303.284.8440

### **Zhone Contact Information:**

<b>Function</b>	<b>Contact</b>
<b>Zhone Sales</b> US: Michael Fischer  International: Mike Scheck	<a href="mailto:mfischer@zhone.com">mfischer@zhone.com</a> 262.367.2315 <a href="mailto:mscheck@zhone.com">mscheck@zhone.com</a> 510.777.7041
<b>Zhone Product Management</b> Chris Garcia	<a href="mailto:cgarcia@zhone.com">cgarcia@zhone.com</a> 510.777.7480
<b>Zhone Customer Service RMA &amp; TAS</b> Zhone Technical Support	<a href="mailto:support@zhone.com">support@zhone.com</a> 877.ZHONE20 (877.946.6320)
<b>Press Relations</b> Tracy Oliver	<a href="mailto:tracy@skycastlemedia.com">tracy@skycastlemedia.com</a> 510.665.7984

# Sorrento Networks Acquisition of Zhone Technologies' GigaMux Business Unit Q&A

## 1. GENERAL OVERVIEW

### 1.1 Who is Sorrento Networks?

Sorrento Networks was acquired by Zhone Technologies in 2004. Today, the Sorrento brand and product line are being resurrected by co-founders Jim Nevelle and Tim Anderson who purchased Zhone Technologies' metro optical access product line, GigaMux, in January 2008. The new Sorrento Networks will provide service and support to all existing GigaMux customers worldwide, and is focusing research and development efforts to expand its portfolio of edge-to-regional CWDM, DWDM and ROADM solutions for carriers and enterprises.

### 1.2 Why did Sorrento Networks acquire the GigaMux product portfolio?

The GigaMux product portfolio offers carriers and enterprises proven solutions in CWDM, DWDM and ROADM networks as customers around the world continue to deploy GigaMux products to meet their bandwidth needs. By investing in research and development, engineering and marketing efforts, Sorrento Networks sees significant growth potential for the company, its customers and the optical networking market.

### 1.3 What is the potential growth of your market segment?

Sorrento Networks competes in the metro/regional wavelength-division multiplexing (WDM) segment within the optical networking market. According to Heavy Reading, in a report commissioned by Sorrento in December 2007, the prospects for the metro/regional WDM market are good – with a 9.6 percent compound annual growth rate (CAGR) forecast from 2007-2012.

### 1.4 What are the specifics of the transaction?

On January 16, 2008, Sorrento Networks completed the acquisition of Zhone Technologies' GigaMux business unit. As a result of this acquisition, the products and services formerly offered by Zhone, including the GigaMux 50, GigaMux 1600/3200 and GigaMux 6400 are now offered and supported by Sorrento.

### 1.5 Where is Sorrento Networks located?

Sorrento is headquartered in Denver, Colorado, with offices in Oakland, California and Stuttgart, Germany.

## 2. PRODUCT PLANS

### 2.1 What are your product development plans and product roadmap?

Sorrento Networks intends to move forward with the development and delivery of new products that expand the capabilities of the GigaMux offerings. Specific dates regarding the roll-out of product upgrades and new products will be announced soon.

**2.2 Will products be eliminated or phased out as a result of this transaction?**

Sorrento Networks is committed to maintaining the business of GigaMux customers. It is our intent to continue to provide as well as enhance the existing product portfolio.

**2.3 Who can I contact to inquire about GigaMux products?**

For product and sales inquiries, please contact:

Chris Garcia, director of engineering and product management at:  
+1.510.577.1480/ [cgarcia@sorrentonet.com](mailto:cgarcia@sorrentonet.com)

**3. SERVICE AND SUPPORT**

**3.1 Will existing product installations be supported and serviced by Sorrento Networks?**

Yes, we will provide reliable and responsive customer service and support to all existing and future GigaMux customers. To ensure we provide you with uninterrupted support, as part of the transaction, members of Zhone Technologies' engineering and support teams have been hired by Sorrento. This provides us with highly-trained personnel who are intricately familiar with the GigaMux product line and who will greatly contribute to advancing development efforts and maintaining service levels.

**3.2 How does this affect existing contracts**

All existing purchase agreements and warranty obligations will be honored by Sorrento Networks.

**3.3 How do I contact customer service?**

Please contact +1.510.577.1499/ [support@sorrentonet.com](mailto:support@sorrentonet.com).

**4. ADDITIONAL CONTACT INFORMATION**

**4.1 Executive Contacts:**

Jim Nevelle  
CEO of Sorrento Networks  
+1.303.898.2913/ [jnevelle@sorrentonet.com](mailto:jnevelle@sorrentonet.com)

Tim Anderson  
President and COO of Sorrento Networks  
+1.303.396.4444/ [tanderson@sorrentonet.com](mailto:tanderson@sorrentonet.com)