



NEWS RELEASE

NEI and Astute Networks Team to Produce Industry's First Stateless ATCA Solution

Innovative AdvancedTCA (ATCA) solution delivers on the promise of open standards with unrivaled user control, manageability and serviceability.

Canton, MA and San Diego, CA – June 10, 2008 – NEI (NASDAQ: NENG), a leading provider of server appliance products and services for storage, security and communications software vendors, and Astute Networks, a leading provider of bladed storage solutions optimized for the most demanding applications on the edge of the network, jointly announced the industry's first stateless AdvancedTCA (ATCA) server solution. This stateless solution combines Astute Network's Caspian R1100 Edge Storage Blade™ with NEI's A-13000 high-availability ATCA platform. The Caspian R1100 is the first such system to hold the "state" (Operating Software (OS), applications and data) of the server, which effectively disassociates it from installed Single Board Computers (SBCs). Co-pioneers of the first iSCSI boot for bladed ATCA products, NEI and Astute Networks collaborated to configure, integrate, test and certify this highly integrated ATCA stateless solution to Network Equipment Building System (NEBS) Level 3 standards, making it easier to deploy and giving users unmatched manageability and serviceability.

The first public demonstration of this stateless solution will be held at NXTcomm 2008 in Las Vegas starting on June 17, 2008.

"Among the major operational issues facing network equipment providers and telecom customers worldwide has been the manageability and remote serviceability of their network storage," said Mike Heumann, vice president of sales and marketing, Astute Networks. "We developed the Caspian R1100, with unrivalled serviceability and manageability, to address these issues and help reduce overall costs. We are very pleased to team with NEI, a company who is recognized for their deep technical expertise in the ATCA space, and to have the Caspian R1100 included in their "Best-in-Class" ATCA solution strategy.

“We believe there is great value in Astute Networks’ storage technology and their solid design approach to an iSCSI ATCA storage blade. Recognizing the market potential for this innovation with inherent ability to lower customers’ capital and operating expenses, we teamed with Astute Networks to help create a stateless server that brings remote iSCSI boot functionality to an ATCA solution,” said Jeff Hudgins, NEI’s vice president of product management. “Disassociating the OS, applications and data from the SBC directly benefits users and it delivers on the promise of open standards by giving customers greater choice when defining their application solution.”

The NEI/Astute Networks stateless server solution is targeted toward IPTV, video on demand (VOD) and other media-intensive applications deployed at the edge of the network. By enabling SBCs to boot from the Caspian R1100, the entire ATCA solution reduces total cost and power consumption and maintains high-performance, high-availability shared storage. In addition, by centralizing the OS and application images users can reduce the time to repurpose servers and eliminate the need to migrate data.

About NEI

Founded in 1997, NEI is headquartered in Canton, Massachusetts and trades on the NASDAQ exchange under the symbol NENG. NEI network appliance solutions are made to ease and enhance the deployment, manageability and security of IT infrastructure applications. With a heritage of providing product and service technologies tailored to support the entire lifecycle of its customers’ appliances, NEI has become the appliance partner of choice for OEMs, ISVs and software integrators worldwide. For more information about NEI’s products and services, visit www.nei.com.

About Astute Networks

Astute Networks is the leading provider of bladed storage solutions for edge applications such as Telecom Network Control, IPTV/VoD, Military C4I, efficiencies--while being easy to deploy and maintain. Our solutions enable you to achieve lower lifecycle costs, faster time to market, and higher competitiveness for you and your company. Astute Networks is located in San Diego, California and is backed by venture capital firms including Tallwood Venture Capital, Sevin Rosen Funds, Scale Venture Partners, KeyNote Ventures, and U.S. Venture Partners. Additional information is available at www.astutenetworks.com or contact us at edgestorage@astutenetworks.com. Astute Networks – Edge Storage made Simple™

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