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FORCE10 NETWORKS CLOSES \$75 MILLION MEZZANINE FUNDING ROUND

MILPITAS, Calif., June 7, 2004 – Force10 Networks, the pioneer in 10 Gigabit Ethernet switching and routing, today announced it has closed a \$74.9 million mezzanine round of funding, one of the networking industry's largest in two years. Crosslink Capital joined co-leads Meritech Capital Partners and Morgenthaler Ventures as new investors in the company. Existing investors, including U.S. Venture Partners, New Enterprise Associates and Worldview Technology Partners, also participated in the round.

“Closing one of the industry's largest funding rounds in recent history is a testament to our best-in-class technology, rapidly growing customer base and market share leadership,” said Marc Randall, CEO of Force10 Networks. “By establishing a tradition of innovative technology with unsurpassed resiliency and scalable performance, Force10 is now positioned to extend its successes to new products, markets and customers.”

Recent customer deployments, including the European Centre for Mid-Range Weather Forecasts, NTT-ME, NASA, the Department of Homeland Security, MCI, Lawrence Berkeley National Lab, Hanaro Telecom, Petroleum Geo-Services and Veritas DGC, highlight Force10's globally diverse customer base and rapid market share growth. According to Dell'Oro Group's most recent Ethernet switch report, Force10 led the industry in Layer 3 Ten Gigabit Ethernet port shipments with 36 percent of the market in the first quarter of 2004, a nine percent increase over the previous quarter.

“Force10 changed the business of networking when it was the first to market with line-rate 10 Gigabit Ethernet and has continued to capitalize on its early lead in the industry,” said Paul Madera, managing director at Meritech Capital Partners. “The company has leading technology, an extraordinary list of loyal customers and the vision to make resilient 10 Gigabit Ethernet the technology of choice for high performance networking environments around the world.”

Force10 has recently been recognized as a technology company poised to change the networking industry. On May 11, Force10 was named to the Red Herring 100 list of private technology companies for positively transforming the marketplace. In March, Force10 was singled out for an Investors' Choice award at the Network Outlook Private Equity conference for its prospects in the data communications industry. Independent market research organization Heavy Reading also recently highlighted Force10 as a top beneficiary of the telecom resurgence in its report, "Telecom Recovery Investment Opportunities."

"Force10 customers – whether running data centers, clusters, or carrier networks – depend on Force10 to maximize operating economics and minimize the penalties of down time, which can impact thousands of users and cost millions of dollars in lost productivity," said Gary Morgenthaler, general partner at Morgenthaler Ventures. "Our discussions with Force10 customers turned up some of the most enthusiastic customer endorsements ever encountered."

According to Dell'Oro Group, the 10 Gigabit Ethernet market is projected to reach \$2.4 billion by 2008, driven by early volume deployments on high-end modular platforms in large campus backbones, inter-campus connections and larger data centers.

About Force10 Networks

Force10 Networks is the pioneer in high performance switching and routing. Based on a revolutionary system architecture that delivers best-in-class resiliency and massive scalability, Force10's E-Series switch/routers ensure predictable application performance, increase network availability, and reduce operating costs. Today, many of the world's largest Gigabit Ethernet and 10 Gigabit Ethernet networks depend on Force10 Networks. For additional information, please visit the company's website at www.force10networks.com.

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