

## **TranSwitch Corporation Announces Acquisition of Alacrity Communications, Inc.**

Acquisition Extends TranSwitch's Programmable Multi-Service Access Product Line

(Shelton, CT) August 1, 2000 -- TranSwitch Corporation (NASDAQ:TXCC) today announced that it has acquired Alacrity Communications, Inc. ("Alacrity"), which specializes in the development and marketing of high-capacity VLSI switching devices for telecommunications and data communications applications, in a tax-free, stock-for-stock transaction that will be accounted for as a purchase. Alacrity has developed a high-capacity VLSI product line called MMIPTM which can be used to configure high-capacity switching platforms for switching ATM, I.P. and TDM based traffic. Based on yesterday's closing price, TranSwitch shares, having a value of approximately \$11 Million, will be issued in connection with the transaction. Alacrity will operate as a wholly owned subsidiary of TranSwitch.

"With this acquisition, TranSwitch gains access to Alacrity's highly innovative VLSI technology for integrated data, voice, and video switching and traffic management. In combination with our CellBus® and SONET/SDH technology, TranSwitch now has the key VLSI solutions for applications in equipment needed to configure the next generation network infrastructures," said Dr. Santanu Das, TranSwitch's Chairman and CEO.

Integration of Alacrity's high-speed switching technology into TranSwitch's ATM/I.P. product line will deliver a seamless path for capacity expansion of TranSwitch's patented CellBus® architecture. CellBus® -based devices, such as CUBIT-3TM and ASPENTM, are widely deployed in multi-service access systems worldwide, and the extension of this technology, with the MMIPTM, will further enable cost-effective system architectures to address increasing service capacity requirements. "We welcome Alacrity to our team and look forward to expanding our development efforts and technology capabilities with the talent pool available within Alacrity," concluded Dr. Das.

"TranSwitch's market presence, along with its complementary technologies, makes this a great opportunity for Alacrity to realize the market potential of our existing high-speed cell switching technology and its planned extensions," stated Dr. Zheng Liu, Vice President and CTO of Alacrity.