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Avici Systems Reports Second Quarter 2007 Results

Revises Revenue Guidance to \$110-125 Million, Including Final Router Shipments

N. Billerica, MA, July 19, 2007 — Avici Systems (NASDAQ:AVCI), today reported results for its second quarter ended June 30, 2007.

Gross revenue for the three and six months ended June 30, 2007 was \$29.6 million and \$50.2 million, respectively, compared to \$25.3 million and \$46.7 million, respectively for the three and six months ended June 30, 2006.

Based on final orders received for its router products including network expansion and customer last time purchases, Avici is raising its expected revenue guidance for the full year 2007 to \$110 to 125M with the variability attributable to timing of manufacturing and final shipment dates.

"I am pleased to report our highest quarterly revenue yet," said Bill Leighton, Chief Executive Officer of Avici Systems. "As we transition out of the router business, we continue to see strong revenues and profitability. We are also very pleased with the progress of development and market reaction for the Soapstone PNC product. We believe the PNC provides carriers a key component in deploying technology agnostic services that leverage Next Generation Network software frameworks and cost-effective transport technologies such as Carrier Ethernet and eventually hybrid Optical Ethernet to drive their top line growth."

GAAP net income for the second quarter ended June 30, 2007 was \$12.1 million, or \$0.82 per share, compared to a GAAP net income of \$7.9 million, or \$0.58 per share, in the prior year's second quarter. GAAP net income in the 2007 period includes \$0.7 million of non-cash equity based charges associated with Financial Accounting Standards Board Statement No. 123R ("SFAS 123R") and \$0.1 million associated with certain inventory credits. GAAP net income for the 2006 period includes \$1.0 million of

special charges associated with the 2006 restructuring, \$0.4 million of non-cash equity based credits associated with SFAS 123R and \$0.1 million of certain inventory credits.

GAAP net income for the six months ended June 30, 2007 was \$18.1 million, or \$1.24 per share, compared to a GAAP net income of \$2.6 million, or \$0.19 per share, for the six months ended June 30, 2006. GAAP net income in the 2007 period includes \$1.1 million of non-cash equity based charges associated with SFAS 123R, \$0.3 million of special charges associated with the 2006 restructuring and \$0.2 million of certain inventory credits. GAAP net income for the 2006 period includes \$7.7 million of special charges associated with the 2006 restructuring, \$0.1 million of non-cash equity based credits associated with SFAS 123R, \$0.5 million of non-cash common stock warrant discount charge and \$0.2 million of certain inventory credits.

Non-GAAP net income (GAAP net income excluding charges for restructuring, certain stock based compensation, common stock warrant discount and inventory credits) for the second quarter ended June 30, 2007 was \$12.7 million, or \$0.86 per share compared to non-GAAP net income of \$8.5 million, or \$0.62 per share in the second quarter of 2006. Non-GAAP net income for the six months ended June 30, 2007 was \$19.2 million, or \$1.32 per share, compared to non-GAAP net income of \$10.4 million or \$0.78 per share for the prior year six month period ended June 30, 2006.

In April 2007, the Board of Directors declared a special cash dividend of \$2.00 per share and accordingly the Company distributed \$28.3 million on June 22, 2007. Cash, cash equivalents and short and long-term marketable securities after such distribution totaled \$61.1 million at June 30, 2007.

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This release contains information about Avici's future expectations, plans, and prospects, including Avici's expectations for annual gross revenues, profitability and the growth opportunity for Soapstone Networks, that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Statements made with regard to interim results are not necessarily indicative of results that may be expected for future interim periods or for the full year. When used in this press release, the word "will", "expected" and other similar expressions are intended to identify such forward looking statements. Such risks and uncertainties include, but are not limited to, Avici's ability to manage the transition of its core router business, the early stage of Soapstone Networks, market acceptance of Avici products, services and enhancements, dependence on our major customer, customer purchasing patterns and commitments, development of the market place, product development and enhancement, intensity of competition of other vendors, technological changes, reliance on technology and distribution partners, and other risks set forth in Avici's filings with the Securities and Exchange Commission. Avici does not undertake any duty to update forward-looking statements.

About Avici Systems

Avici Systems Inc., headquartered in North Billerica, Mass., is a leading provider of purpose-built carrier-class routing solutions for the Internet. Avici's family of routers is designed to meet carrier requirements for the highest scalability, reliability and network availability, while lowering the total cost of building and operating their networks. The company's routing systems provide new IP solutions to some of the world's leading service providers. www.avici.com

About Soapstone Networks

Soapstone Networks is in the forefront of providing orderly, predictable business-driven behavior to IP Networks. With its Provider Network Controller (PNC)TM architecture, Soapstone has designed an architecture that links network services to network resources through a universal control plane and provides a transport abstraction layer above PBT, MPLS and T-MPLS

enabling seamless migration. Soapstone utilizes an SOA-based modular architecture that provides the agility and nimbleness to target different applications, accelerating services creation and deployment critical to carrier provider success. The future of Carrier Ethernet - www.soapstonenetworks.com