

Contact:

Kim Autrey
MarComm Manager
Phone: 925-460-2711
Fax: 925-251-0250



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News

**D.W. Morgan and Redback Networks Selected by Aberdeen Group as
Winners of Best Practices in International Logistics**
*Morgan's Real-time, Online, Global Inventory System and Transportation
Management Cited as key to Redback's Outsourced Logistics Operations*

Pleasanton, CA — Jan. 16, 2006 — Aberdeen Group, one of the nation's top research analyst firms, has chosen D.W. Morgan Company and its client Redback Networks (NASDAQ: RBAK) for their international logistics outsourcing implementation in Aberdeen's January 2006 report "Best Practices in International Logistics: How Top Companies Use Technology and Logistics Partners to Improve Performance."

"Redback's use of D.W. Morgan's international logistics services and online visibility tools are great examples of the hard dollar savings that logistics outsourcing can bring to manufacturers," said Aberdeen Vice President of Enterprise Research Beth Enslow. "Redback Networks' outsourcing initiative with D.W. Morgan Company impressed us with its ability to cut costs, yet serve the customer better and create a competitive advantage."

The report says business success is increasingly linked to effectively managing international logistics. Factors such as growing low-cost country sourcing and rising sales to international customers are triggering companies to seek new ways to manage the costs, complexities and uncertainties of moving goods across borders. "Our analysis of the winners found that greater process automation, improved technologies, and increased reliance on logistics partners were instrumental in driving their success," said Enslow.

Redback Networks, a mid-size networking equipment manufacturer, was one of only two winners in the international logistics outsourcing category. The company won based on its performance improvements gained through outsourcing its entire logistics network to a single logistics service provider, D.W. Morgan Company, which has a reputation for providing high-quality service and strong visibility technology. This initiative was a part of Redback Networks' corporate strategy to strengthen core competencies such as product design, branding, selling and customer satisfaction, and outsource other functions to external experts.

Redback Networks competes in the highly competitive broadband networking equipment space. Its equipment is mission critical for many broadband carriers and Redback must meet stringent service level agreements (SLAs) to deliver replacement parts in as little as four hours. In 2002, the company took a major initiative to transform this part of its business to reduce the number of global service depots, the amount of inventory it had to carry, the staff required to manage the facilities and fulfill orders and ultimately better meet the customers' SLAs.

"We are very pleased to have Aberdeen select us for outsourcing our international logistics to D.W. Morgan," said Ebrahim Abbasi, senior vice president of operations, information technology and customer service. "We've been very impressed with the savings from outsourcing our international logistics to D.W. Morgan, which amounted to 30 percent savings in logistics costs."

"It's an honor to be recognized as providing best-practice solutions by Aberdeen," said D.W. Morgan Founder and CEO David Morgan. "Redback Networks decision to focus on core competencies and outsource logistics is a move many smart companies are making. Morgan's suite of online visibility tools and transportation management solutions made it possible for Redback to accelerate growth, reduce costs and focus on what they do best. At Morgan we call this "Supply on Demand," and we believe that companies who will survive in the next decade are those that embrace Internet-based technologies to simplify a complex and global supply chain."

D.W. Morgan has built a reputation as one of the leading supply chain and transportation management companies in the country. With over 15 years serving Fortune 1000 clients, Morgan has garnered many of the industry's highest accolades. In 2005 alone, D.W. Morgan received two Supplier of the Year Awards, one from Northern California Supplier Development Council and from Cisco Systems. In addition, Morgan was named one of the top 100 supply chain providers by *Supply and Demand Chain Executive* magazine.

Since outsourcing its entire logistics operations to D.W. Morgan, Redback has gained the following benefits:

- Total logistics costs (personnel, facility, and freight costs) are now 30 percent less than when Redback managed them.
- The total number of depots needed to serve Redback's customers has been cut from 50 to 28 while maintaining a four-hour SLA capability.
- Overstocking has been minimized and the total value of inventory in the field has dropped by 50 percent.

In November and December 2005, Aberdeen researched companies that are transforming their international logistics operations to find out how they were achieving improvements. Eight companies were selected as best practice winners, two in each logistics management category: global inventory control, transportation spend management, import/export process management, and international logistics outsourcing.

To download a complimentary copy of Aberdeen's "Best Practices in International Logistics Report," the link is:

http://www.aberdeen.com/summary/report/benchmark/RA_BPIntlLogistics_BE_2467.asp

About the D.W. Morgan Company: D.W. Morgan is one of the world's most trusted supply-chain consulting and transportation management firms. The company has provided services for Fortune 1000 leaders such as Hewlett-Packard, Kaiser Permanente, B.F. Goodrich, Cisco Systems, Inc., Advanced Fibre Communications (now a division of Tellabs), Lockheed-Martin, Oracle, NCR and Philips Electronics. Morgan's expertise lies in its unique "whole-process management" for simplifying complex supply and demand challenges. Under this model, Morgan oversees every link in its partner's supply chain—from procurement of raw materials to distribution of finished goods. The company's corporate headquarters are located at 6685 Owens Drive, Pleasanton, CA 94588, phone: (925) 460-2700, fax: (925) 251-0250. Morgan's regional operations are located in Atlanta, GA., Tampa, FL., Austin, TX., and Los Angeles, CA. An Asia-Pacific subsidiary, D.W. Morgan Pte., Ltd., is based in Singapore. To learn more about Morgan's products and services, please visit <http://www.dwmorgan.com/>.

About Redback Networks: Redback Networks Inc., a leading provider of next-generation broadband networking equipment, enables carriers and service providers to build Smart Broadband Networks that are

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personalized, adaptive and efficient. The Smart Broadband Network enables advanced IP based subscriber services to consumers, businesses and wholesale customers. The company's carrier-class, consumer-scale SmartEdge® product family combines advanced subscriber management, carrier-class IP edge routing and highly scalable Ethernet aggregation functions. In conjunction with the NetOp™ Element and Policy Manager platforms the SmartEdge family provides a powerful and flexible infrastructure solution that enables delivery of next-generation Broadband IP services. Founded in 1996 and headquartered in San Jose, Calif., with sales and technical support centers located worldwide, Redback Networks maintains a growing and global customer base of more than 500 carriers and service providers, including major local exchange carriers (LECs), inter-exchange carriers (IXCs), PTTs, service providers and ISPs. For more information, visit Redback Networks at www.redback.com.

About Aberdeen Group: AberdeenGroup is the leading provider of fact-based research and advice for the global technology-driven value chain, delivering solutions for business and technology executives. Our portfolio of research-based solutions comprises benchmarking, market and solution assessments, solution selection and sales acceleration programs, and networking conferences. Aberdeen Group supports Global 5000 value chain, and technology executives and the providers that serve them. In addition, Aberdeen provides unique research solutions for supporting mid-market companies and for global firms developing strategies to capitalize on the emerging Chinese marketplace.

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