



## **TII Network Technologies Expands its Voice over Internet Protocol (“VoIP”) Product Offerings to Small Businesses and Multiple Dwelling Units**

***-- Move Continues Company’s Efforts to Broaden the Breadth of its Product Offerings to These Growing Market Segments --***

COPIAGUE, NY – March 15, 2007 – TII Network Technologies, Inc. (NASDAQ: TIII), a leading provider of network technology products for the communications industry, is expanding its Voice Over Internet Protocol (“VoIP”) and other product offerings targeted to small businesses, multi line residences and multiple dwelling units (MDU’s) that will significantly strengthen the Company’s position in this rapidly growing market. This expansion is a continuation of the Company’s efforts to broaden the breadth and scope of its product offerings in this rapidly growing market..

The VoIP product offerings that target small businesses and MDU’s are the following:

- ***An indoor or outdoor Voice Network Interface Device (NID) Panel*** known as the ***TII SVN-12*** that accommodates up to 12 two-way switching modules for installation in multiple dwelling units.
- ***Two multi-line, switchable voice modules (SVM’s)***, known as ***TII SVM-2*** and ***TII SVM-4***, that provides seamless switching from Telco services to digital phone service.
- ***An indoor consumer SVM*** version that provides seamless switching from traditional Telco to digital phone services.
- ***An intercom VoIP switch***, called the ***TII VIS*** Series, which provides number porting and seamless switching from VoIP or digital phone services to local intercom calls in multiple dwelling units (MDU’s).
- ***A switchable voice wall jack***, is enclosed in a wall plate size device and can be located at the first telephone jack location in a MDU.

All the SVM products eliminate additional truck roll costs by automatically switching service provider connections when ring signals are detected from the alternate service provider.

Kenneth A. Paladino, President and CEO for TII, stated, “We have made tremendous strides with our new product development and marketing initiatives over the last 12 months by adding new talents to our organization and successfully leveraging the capabilities we have developed in our core business. Our new line of VoIP products is a direct result of early market intelligence into the strategic direction that cable MSO’s are now taking to capture greater market share in the small business and MDU opportunities. We believe that these new products address a rapidly growing niche market. Also, these new VoIP offerings, amongst other TII products, support our recent resurgence into international markets, where multi dwelling and triple play technologies are prevalent in metropolitan cities.”

*The Company recently introduced the Outrigger™ Media Access Portal, the first outdoor Intelligent Network Interface Device that allows telephone or cable operators to deliver Triple-Play bundled services – digital telephone, broadband data and video over broadband – to residential customers over a home's existing cable TV and telephone wiring.*

### **About TII Network Technologies, Inc.**

TII Network Technologies, Inc. a publicly traded company (NASDAQ: TIII) headquartered in Copiague, New York, develops, manufactures and markets commercial and residential communications products world-wide. A proven technology leader specializing in innovative network management products, including network interface devices, xDSL and fiber technologies, VoIP products, power and data-line filtering, station protectors, passive connectivity solutions and alternate home networking solutions, as well as creative, custom design engineering to meet customers' individual requirements. The Company sells its products principally to telephone operating companies, including Regional Bell Operating Companies and Independent Operating Companies and competitive local exchange carriers, to multi-system operators of communications services, including cable and satellite service providers. The Company has a North American direct to customer sales organization, as well as, strategic territory representatives and distribution channel market partners.

### **Safe Harbor Statement**

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Certain statements in this Report are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this Report, words such as "may," "should," "seek," "believe," "expect," "anticipate," "estimate," "project," "intend," "strategy" and similar expressions are intended to identify forward-looking statements regarding events, conditions and financial trends that may affect the Company's future plans, operations, business strategies, operating results and financial position. Forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause the Company's actual results, performance or achievements to differ materially from those described or implied in the forward-looking statements. These factors include, but are not limited to: exposure to increases in the cost of the Company's products, including increases in the cost of the Company's petroleum-based plastic products, and the limited ability of the Company to raise the selling prices of its products; dependence for products and product components from Pacific Rim contract manufacturers, including on-time delivery that could be interrupted as a result of third party labor disputes, political factors or shipping disruptions, quality control and exposure to changes in costs and changes in the valuation of the Chinese Yuan; dependence on, and ability to retain, its "as-ordered" general supply agreements with its largest three customers and win new contracts; continued dependence on the traditional copper-based telephone operating company ("Telco") market which has been declining over the last several years due principally to the impact of alternate technologies and competition from multi-system operators; the effect of rising interest rates on new housing starts which account for a large percentage of NID sales; the level of inventories maintained by the Company's customers; the ability to market and sell products to new markets beyond its principal market – the copper-based Telco market; the ability to timely develop products and adapt its existing products to address technological changes, including changes in its principal market; weather and similar conditions, particularly the effect of hurricanes or typhoons on the Company's manufacturing, assembly and warehouse facilities in Puerto Rico and the Pacific Rim; competition in the Company's traditional Telco market and in the new markets the Company is seeking to penetrate; potential changes in customers' spending and purchasing policies and practices; general economic and business conditions, especially as they pertain to the Telco industry; dependence on third parties for certain product development; risks inherent in new product development and sales, such as start-up delays and uncertainty of customer acceptance; the ability to attract and retain technologically qualified personnel; and the availability of financing on satisfactory terms.

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Kenneth A. Paladino - President and Chief Executive Officer  
TII Network Technologies, Inc.  
1385 Akron Street  
Copiague, New York 11726  
(631) 789-5000  
[www.tiinettech.com](http://www.tiinettech.com)