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**SYCAMORE NETWORKS, INC. REPORTS FIRST QUARTER FISCAL YEAR
2012 FINANCIAL RESULTS**

CHELMSFORD, Mass., December 1, 2011 – Sycamore Networks, Inc. (NASDAQ: SCMR), today reported its results for the first quarter ended October 29, 2011. Revenue for the first quarter of fiscal 2012 was \$15.4 million, compared with \$11.7 million for the first quarter of fiscal 2011.

Net loss for the first quarter of fiscal 2012, on a generally accepted accounting principles (“GAAP”) basis, was \$1.6 million, or \$0.06 per share, compared with a GAAP net loss of \$6.5 million, or \$0.23 per share for the first quarter of fiscal 2011. Non-GAAP net loss for the first quarter of fiscal 2012 was \$0.9 million, or \$0.03 per share, compared with a non-GAAP net loss of \$5.6 million, or \$0.20 per share for the first quarter of fiscal 2011. The reconciliation between net loss on a GAAP basis and net loss on a non-GAAP basis is provided in a table immediately following the Unaudited Non-GAAP Consolidated Statements of Operations included with this release.

“We are pleased with our first quarter operating results, as Sycamore delivered increased revenue and continued strong margin performance from our bandwidth management business,” said Daniel E. Smith, Sycamore's president and chief executive officer. “We continue to make meaningful progress in our IQstream trials with mobile operators as we work toward demonstrating the value proposition of content optimization in the radio access network, which we believe can help operators address the cost and service implications of exploding mobile data traffic.”

About Sycamore Networks

Sycamore Networks, Inc. (NASDAQ: SCMR) develops and markets intelligent bandwidth management solutions for fixed line and mobile network operators worldwide. We also develop and market a mobile broadband solution designed to help mobile operators reduce congestion in mobile access networks. Sycamore products enable network operators to efficiently and cost-effectively provision and manage network capacity to support a wide range of converged services such as voice, video and data. Our global customer base includes Tier 1 service providers, government agencies, and utility companies. For more information, please visit www.sycamorenet.com.

Use of Non-GAAP Financial Measures

The Company provides non-GAAP financial data in addition to providing financial results in accordance with generally accepted accounting principles (GAAP). These measures are not in accordance with or an alternative for GAAP, and may be different from non-GAAP measures used by other companies. The Company believes that the items excluded from the non-GAAP results have one or more of the following characteristics: their magnitude and timing are largely outside of the Company's control; they are unrelated to the ongoing operation of the business in the ordinary course; they are unusual, and the Company does not expect them to occur in the ordinary course of business; or they are non-operational, non-cash expenses involving stock option grants.

The non-GAAP financial data is provided to enhance the reader's overall understanding of the Company's current financial performance and its prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management and investors by excluding certain expense and income items that the Company believes are not indicative of the Company's core operating results. In addition, since the Company has historically reported non-GAAP results to the investment community, the Company believes the inclusion of non-GAAP numbers provides consistency in its financial reporting. Further, these non-GAAP results are one of the primary indicators management uses for planning and forecasting in future periods. The non-GAAP financial data should be considered in addition to, not as a substitute for or a more appropriate indicator of, operating results, cash flows, or other measures of financial performance prepared in accordance with GAAP.

We wish to caution you that certain matters discussed in this news release may constitute "forward-looking statements," as defined under the federal securities laws. Risks and uncertainties relating to the Company's business could cause actual events and results to differ materially from those stated or implied in such statements. Potential risks and uncertainties include, among others, the Company's reliance on a limited number of customers; industry pricing pressures; the Company's decision to focus future development efforts on mobile broadband optimization opportunities; the high cost of product development and keeping pace with evolving features and technologies desired by customers; unexpected difficulties in developing and marketing new mobile broadband optimization products; the inability of new products to achieve market acceptance or to function as expected; the consolidation of both suppliers and customers in the telecommunications marketplace; possible changes to the Company's business in connection with consideration of strategic options to enhance shareholder value; and general economic conditions. More information about potential factors that could affect the Company's business and financial results is included in the section entitled "Risk Factors" in the Company's reports filed on Forms 10-Q and 10-K with the Securities and Exchange Commission. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

Sycamore Networks, Inc.
Unaudited Condensed Consolidated Balance Sheets
(in thousands)

	<u>October 29, 2011</u>	<u>July 31, 2011</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 51,781	\$ 60,765
Short-term investments	351,430	335,847
Accounts receivable, net	9,336	8,764
Inventories	9,692	11,537
Prepaid and other current assets	<u>1,182</u>	<u>1,770</u>
Total current assets	423,421	418,683
Property and equipment, net	6,133	5,978
Long-term investments	35,160	44,786
Other assets	<u>292</u>	<u>290</u>
Total Assets	<u>\$ 465,006</u>	<u>\$ 469,737</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Deferred revenue	\$7,041	\$9,141
Other current liabilities	<u>6,093</u>	<u>8,325</u>
Total current liabilities	13,134	17,466
Long term deferred revenue	1,724	1,812
Long term liabilities	<u>1,743</u>	<u>1,702</u>
Total liabilities	<u>16,601</u>	<u>20,980</u>
Common stock	29	29
Additional paid-in capital	1,584,278	1,583,124
Accumulated deficit	(1,135,572)	(1,133,958)
Other equity	<u>(330)</u>	<u>(438)</u>
Total stockholders' equity	<u>448,405</u>	<u>448,757</u>
Total Liabilities and Stockholders' Equity	<u>\$ 465,006</u>	<u>\$ 469,737</u>

Sycamore Networks, Inc.
Unaudited Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended	
	<u>October 29,</u>	<u>October 30,</u>
	<u>2011</u>	<u>2010</u>
Revenue	\$ 15,380	\$ 11,709
Cost of revenue	<u>6,262</u>	<u>6,885</u>
Gross profit	<u>9,118</u>	<u>4,824</u>
Operating expenses:		
Research and development	6,485	7,311
Sales and marketing	2,670	2,600
General and administrative	1,985	2,126
Restructuring	<u>(271)</u>	<u>--</u>
Total operating expenses	<u>10,869</u>	<u>12,037</u>
Loss from operations	(1,751)	(7,213)
Interest and other income, net	<u>234</u>	<u>768</u>
Loss before income taxes	(1,517)	(6,445)
Income tax expense	<u>97</u>	<u>94</u>
Net loss	<u>\$ (1,614)</u>	<u>\$ (6,539)</u>
Net loss per share:		
Basic	\$ (0.06)	\$ (0.23)
Diluted	\$ (0.06)	\$ (0.23)
Weighted average shares outstanding:		
Basic	28,741	28,451
Diluted	28,741	28,451

Sycamore Networks, Inc.
Unaudited Non-GAAP Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended	
	<u>October 29,</u>	<u>October 30,</u>
	<u>2011</u>	<u>2010</u>
Revenue	\$ 15,380	\$ 11,709
Cost of revenue	<u>6,111</u>	<u>6,466</u>
Gross profit	<u>9,269</u>	<u>5,243</u>
Operating expenses:		
Research and development	6,102	7,164
Sales and marketing	2,460	2,431
General and administrative	<u>1,755</u>	<u>1,978</u>
Total operating expenses	<u>10,317</u>	<u>11,573</u>
Loss from operations	(1,048)	(6,330)
Interest and other income, net	<u>234</u>	<u>768</u>
Loss before income taxes	(814)	(5,562)
Income tax expense	<u>97</u>	<u>94</u>
Net loss	<u>\$ (911)</u>	<u>\$ (5,656)</u>
Net loss per share:		
Basic	\$ (0.03)	\$ (0.20)
Diluted	\$ (0.03)	\$ (0.20)
Weighted average shares outstanding:		
Basic	28,741	28,451
Diluted	28,741	28,451

Sycamore Networks, Inc.
Reconciliation of GAAP to Non-GAAP Net Loss
(in thousands, except per share data)

	Three Months Ended	
	<u>October 29,</u>	<u>October 30,</u>
	<u>2011</u>	<u>2010</u>
GAAP net loss	\$ (1,614)	\$ (6,539)
Stock-based compensation expense:		
Cost of revenue	151	80
Research and development	383	147
Sales and marketing	210	169
General and administrative	<u>230</u>	<u>148</u>
Total stock based compensation expense	974	544
Restructuring expense:		
Operating expense	(271)	--
Cost of revenue	<u>--</u>	<u>339</u>
Non-GAAP net loss	<u>\$ (911)</u>	<u>\$ (5,656)</u>