



SUNRISE TELECOM INCORPORATED

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Corporate Fact Sheet
August 2005
NASDAQ: SRTI

Sunrise Telecom is a leading provider of service verification equipment for telecommunications, cable broadband / TV, and Internet networks. Sunrise products offer broad functionality, leading-edge technology, and compact size to enable service providers to pre-qualify lines for services, verify newly installed services and diagnose problems relating to wire line access services (including digital subscriber line, DSL services), fiber optics, cable broadband networks and signaling networks. Customers include companies such as Comcast, Bell South, France Telecom, Korea Telecom, SBC, and Verizon. Sunrise is benefiting from the demand for high-speed broadband Internet access. Service providers encounter several major challenges in deploying reliable high-speed broadband Internet services. These challenges are caused by physical impairments to either the cable TV line or the traditional phone line including shorts, opens, power crosses, wet cables, load coils, and bridge taps. These impairments can weaken or even prevent service from being delivered. Sunrise Telecom's leading-edge products accelerate service providers' ability to identify and fix these problems, and ensure that proper service is delivered.



SunSet MTT (Modular Test Toolkit)- with support for over 30 test modules- is the industry standard for DSL and access testing.

Recent Sunrise Telecom Highlights

- Second Quarter sales were \$18.3M, compared to \$15.0M in Q2 04.
- Second Quarter GAAP loss from operations was \$(3.1) million, compared with a GAAP income from operations of \$0.6 million in the second quarter of 2004 and a GAAP loss from operations of \$(4.9) million in the first quarter of 2005. First and second quarter results for 2005 reflects an investment in the North American sales organization, increasing our direct international presence, establishing an R&D center in Beijing, China and legal costs associated with Sunrise's patent litigation.
- Backlog at the end of the first quarter was \$5.5 million, compared with \$4.8 million at the end of the second quarter of 2004 and \$7.6 million at the end of the first quarter of 2005.
- The Company announced that it has been selected as the sole supplier for video test solutions to support FTTx deployments at one of the world's largest North American-based telecommunications service providers. Sunrise Telecom's CM750 Installation and Service Verification Meter was selected for its intuitive user interface and automated analog and digital SLM (signal level meter) test capabilities
- The Company announced the availability of TAMS 7-VoIP, an integrated Monitoring System for Public Switched Telephone Networks (PSTN) and Voice over Internet Protocol (VoIP) networks. TAMS 7-VoIP (Traffic Analysis and Monitoring System for SS#7 and VoIP) gathers data from the world-adopted Sunrise Telecom analyzers, including NeTracker™, 3GMaster, and STT-MSA, and provides an extensive set of tools for traffic analysis, network management, and troubleshooting, as well as MOS (Mean Opinion Score) on live audio traffic.
- The Company announced the 10 Gigabit Ethernet Module for its industry-leading Scalable Test Toolkit (STT) platform, which combines powerful capabilities that rival expensive laboratory test equipment with ease-of-use, lower cost and flexibility of central office and head-end equipment.

Market Snapshot @ 8/9/05

Closing Price: \$2.10

52-Week Range: \$1.12 - \$3.96

Market Cap: \$106.8 million

Q2 05 Wgtd Avg Shs (diluted): 51.0 million

Q2 05 Sales: \$18.3 million

Q2 05 Operating Loss: \$3.1 million

Q2 05 Net Loss: \$3.2 million

Q2 05 Loss per share (diluted): \$(0.06)

Q2 05 Cash & Short-term investments: \$27.7 million

Q2 05 Debt (current & long-term): \$0.9 million

Financial Highlights

(In thousands, except per share data, unaudited)

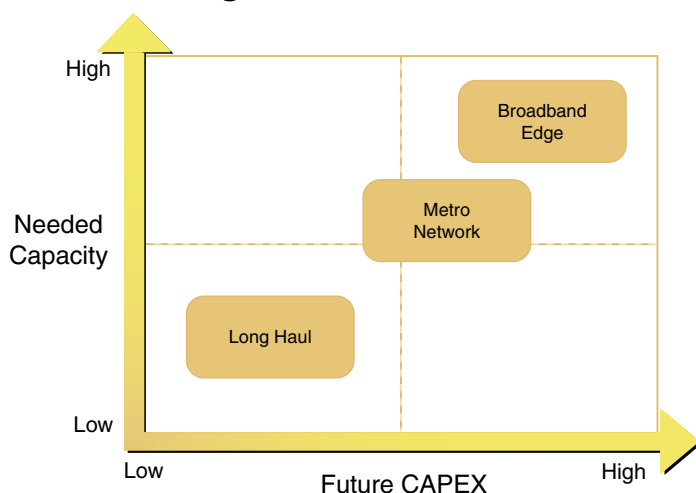
	Three Months Ended March 31,		Six Months Ended March 31,	
	2005	2004	2005	2004
Net sales	\$18,330	\$15,004	\$30,048	\$28,805
Gross profit	11,552	11,148	19,231	21,014
Total operating expenses	14,688	10,572	27,263	20,258
Income (loss) from operations	(3,136)	576	(8,032)	756
Net income (loss)	(3,239)	813	(8,029)	(6,473)
Income (loss) per share				
Basic	(0.06)	0.02	(0.16)	(0.13)
Diluted	(0.06)	0.02	(0.16)	(0.13)
Weighted Average Shares				
Basic	50,965	50,426	50,862	50,295
Diluted	50,965	51,265	50,862	50,295
	Mar 31,	Dec 31,		
	2005	2004		
Cash & short-term investments	27,718	33,871		
Total assets	100,226	109,492		
Total long-term liabilities	758	1,013		
Total stockholders' equity	84,509	95,190		

Net loss for the six months ended June 30, 2004 included a non-cash charge of \$7,349,000 to record a valuation allowance on most of Sunrise Telecom's net deferred tax assets. Without this non-recurring accounting charge, which does not represent additional income tax obligations, there would have been net income of \$876,000, or \$0.02 per share.

Sunrise Telecom Growth Strategies

- Enable and accelerate the delivery of VoIP deployment by cable operators through installation of our advanced VoIP Protocol Analyzer, the Netracker, in the Central Office partnered with our VoIP module on the CM product line for technicians in the field.
- Provide better tools for carriers providing LAN networks with Sunrise's Gigabit Ethernet modules.
- Enable large scale FTTx buildout through:
 - Optical testing platform for Metro networks using the STT;
 - Handheld tool for video over IP testing for RBOC triple play strategy using our CM750; and
 - Optical testing toolkit on the SunSet MTT platform for access networks.
- Assist wireless network construction through the use of our wireless protocol analyzer, the 3GMaster, and our TAMS protocol testing and operations support.

Broadband Edge Market Still Under Built



Analyst Coverage

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