

**NHC COMMUNICATION INC.**  
**MATERIAL CHANGE REPORT**

**Name and Address**

NHC Communications Inc.  
5450 Cote De Liesse  
Mount Royal, PQ  
H4P 1A5

**Date of Material Change**

September 18, 1997

**Press Release**

A copy of a press release issued on September 18, 1997, Montreal, Quebec, is attached to this material change report.

**Summary of Material Change**

NHC Communications Inc. ("NHC") announced the successful completion of final testing on its Gallium Arsenide matrix chip (SX88). NHC's new chip addresses a market potential which has been quoted to reach as high as \$3.5 billion dollars (US), and NHC and Nortel are cited as the two key players within this arena (based on 1997 DataPro Report).

**Full Description of Material Change**

A full description of the material change is set forth in the attached press release.

**Confidentiality**

Not Applicable

**Omitted Information**

Not Applicable

**Senior Officer**

Sylvain Abitbol, the President and CEO of NHC, is knowledgeable and may be contacted about the material change described herein.

**Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

**DATED** this 22nd day of September, 1997.

**NHC COMMUNICATIONS INC.**

(signed)

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Sylvain Abitbol  
President and CEO

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# Press Release

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*For more information contact:*

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## **FOR IMMEDIATE RELEASE**

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### **NHC Communications Poised To Revolutionize \$3.5 Billion Dollar (US) Market Through Its New Generation Microchip**

**MONTREAL (September 18th, 1997)** — NHC Communications Inc. (NHC), a leading international manufacturer of Switching and Fiber Optic Solutions announced today the successful completion of final testing on its Gallium Arsenide matrix chip (SX88). NHC's new chip addresses a market potential which has been quoted to reach as high as \$3.5 billion dollars (US), and NHC and Nortel are cited as the two key players within this arena. (based on 1997 DataPro Report)

"Development of this innovative technology is an extraordinary achievement for NHC, and an integral element of our corporate product direction," said Sylvain Abitbol, President and CEO. "Strategic foresight and calculated focus to obtain exact specifications for the chip have provided NHC with the necessary key to redefine future switching technology. Our perseverance over the past two and a half years has finally culminated in tangible results," added Abitbol.

Current solutions are crippled in terms of the size and scope of applications. NHC's new chip positions the Corporation with the capability to build category 5 standard and higher physical switching products, in addition to solutions supporting higher speeds such as ATM. With this new technological foundation in place, R & D efforts at NHC are making significant headway with further developing new chips and maintaining a cutting edge within this evolving market.

This new chip technology is the latest addition to NHC's high-performance cross-connect switching family. Eliminating the need to manually maneuver physical LAN and/or WAN connections, NHC's family of electronic switches deliver an automated and proactive approach to managing networks. The SX88 chip will allow NHC switches to exchange data signals at very high speeds, thereby extending performance and scalability within a family of switching products. Solutions oriented, NHC products can be

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# Press Release

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integrated into a wide range of applications, including desktop video, resource sharing, fall-back switching for Internet Service Providers (ISPs), security, and moves, adds and changes (MACs).

It is estimated that the world-wide number of MACs in 1997 will amount to 20 million connections. This number is expected to grow to 25 and 31 million connections in 1998/99, respectively. The majority of these connections are still performed manually today. Performing automated MACs and optimizing network time is a lucrative market which NHC is strongly poised to address with a line of mixed media, high-speed cross-connect electronic switching products integrating the new SX88 chip.

The SX88 chip was created on a Gallium Arsenide platform due to its superior characteristics at very high frequency operations. Initial research on the microchip technology was undertaken by NHC in collaboration with Dr. Bozena Kaminska and her team of post doctorate and master students at the Ecole Polytechnique, an internationally recognized engineering institution based in Montreal, Canada. Dr. Kaminska has written an exhaustive amount of technical papers and has numerous patents. She is also a member of the Institute of Electrical and Electronic Engineers (IEEE) and chairs the Mixed-Signal Testing Committee.

Founded in 1987, NHC Communications Inc. (TSE sym: NHC) vision is to be a leading developer of products that increase the competitive edge of its customers by applying innovative technology approaches to the delivery of high-speed mixed media switched access and transmission networks. A sample of a few current NHC world-wide Fortune 500 customers include, American Express, Shell Oil, A.T. & T., Allstate Insurance, Exxon, IBM, Sprint and BBN, one of the world's largest Internet Service Providers. NHC products are certified for use in over 30 countries world-wide and cover a range of industry sectors including banking and financial services, Internet Access Providers, medical, government, military and education.

NHC sells through leading resellers supported by sales locations in Atlanta, Chicago, Dallas, Richmond (VA), New York and Montreal. International sales are supported by offices in Arnhem (Holland), Paris, York (UK), and Singapore.

**NHC may be contacted through its web site: [www.nhc.com](http://www.nhc.com).**