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TOLLGRADE'S BROADBAND MARKET POSITION REFLECTED IN NEW IDENTITY, WEB SITE

PITTSBURGH, PA – June 3, 2005 - Tollgrade Communications, Inc. (Nasdaq: TLGD) is updating its image, web site and positioning as a provider of network assurance products and services for the broadband marketplace. Founded in 1988, Tollgrade grew into a leading test, measurement and status monitoring hardware and software company for major telecommunications and cable companies, as well as independent carriers, throughout North America and, currently, in 26 countries around the world.

Tollgrade's identity and web site have been changed to reflect the evolution of the company's product mix, portfolio of customers and technological applications for managing voice, video and data service quality over broadband networks. The transformation of Tollgrade's business in recent years is a result of new technologies being deployed by the company's traditional RBOC and MSO customers as well as independent carriers. During the past four years Tollgrade has successfully integrated acquisitions and new product lines to sustain and develop its presence as a leader in communications testing and monitoring.

The company's bold new logo recognizes its diversification and growth into new markets as a network assurance supplier; it replaces a logo that identified Tollgrade since the company's founding. Its adjoining tagline reaffirms Tollgrade's product proposition to customers that offers "Network Assurance Simplified." Its new website reflects the company's focus on solutions for broadband services providers, including four new products that will be introduced at upcoming industry events this month.

"Tollgrade is a different company today than it was just a few years ago," said Mark B. Peterson, president and chief executive officer of Tollgrade. "Our markets have changed dramatically and we've changed with them. Today, Tollgrade is uniquely positioned to support customer requirements, whether they are building new networks or transitioning from traditional infrastructures to offer revenue-generating IP services. This is a dynamic time in our industry as we open a new chapter in Tollgrade's history. Our updated identity and web site is a reflection of Tollgrade's evolution and current position at an exciting time in the communications network business," added Peterson.

About Tollgrade

Tollgrade Communications, Inc. is a full-system provider of leading hardware and software testing solutions for the global telecommunications and cable broadband industries. Tollgrade designs, engineers, markets and supports test systems, test access and status monitoring products. The Company, which is headquartered in the Pittsburgh suburb of Cheswick, Pa., recorded 2004 revenues of \$62.8 million. The Company's web address is www.tollgrade.com.

TOLLGRADE COMMUNICATIONS, INC.

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Forward-Looking Statements

The statements contained in this release which are not historical facts are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements, which may be expressed in a variety of ways, including the use of forward-looking terminology, relate to, among other things, the launch of new products and our role in current network migration, the ability for the Company to make new products commercially available and the effectiveness of such products, and expected revenues that may be generated from the sales of such new products. The Company does not undertake any obligation to publicly update any forward-looking statements.

These forward-looking statements and other forward-looking statements contained in other public disclosures of the Company are based on assumptions that involve risks and uncertainties and are subject to change based on the considerations described below. These risks, uncertainties and other factors may cause actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward looking statements. The Company wishes to caution each reader of this release to consider the following factors and certain other factors discussed herein and in past reports including, but not limited to, prior year Annual Reports and Form 10-K and Form 10-Q reports filed with the Securities and Exchange Commission ("SEC"). The factors discussed herein may not be exhaustive. Therefore, the factors discussed herein should be read together with other reports and documents that are filed by the Company with the SEC from time to time, which may supplement, modify, supersede or update the factors listed in this document.

- Due to the Company's dependence upon a few major customers for a majority of our revenues, the loss of any of these customers or continued decreases in the capital budgets of these customers would significantly reduce our revenues and net income. The capital budgets of our customers, are dictated by a number of factors, most of which are beyond our control, including:
 - the conditions of the telecommunications market and the economy in general;
 - subscriber line loss and related reduced demand for telecommunications services;
 - changes of shifts in the technology utilized in the networks;
 - disputes between our customers and their organized labor groups;
 - the failure to meet established purchase forecasts and growth projections;
 - competition among the RBOCs, CLECs and wireless and cable providers; and
 - reorganizations, including management changes, at one or more of our customers or potential customers.

If the financial strength of our major customers should deteriorate, or if they have difficulty acquiring investment capital due to any of these or other factors, a substantial decrease in our revenues would likely result.

- A large portion of the Company's sales are attributable to our core proprietary MCU technology, and those sales largely depend upon the rate of deployment of new, and the retrofitting of existing, Digital Loop Carrier (DLC) systems in the United States. Further, if our customers implement certain next generation network improvements that do not require the use of our MCU products, it could materially impact our MCU sales. If our major customers fail to continue to build-out their DSL networks and other projects requiring DLC deployments, or if we otherwise satisfy the domestic telecommunications market's demand for MCUs, our future results would be materially and adversely affected.
- The Company depends upon a relatively narrow range of products for the majority of our revenue. Our success in marketing our products is dependent upon their acceptance by our customers, which in some cases have their own proprietary requirements. The adoption of industry-wide standards, such as the HMS and DOCSIS cable standards, may result in the elimination of or reductions in the demand for many of our proprietary products, like our Cheetah head-end hardware products and other Cheetah products. Furthermore, if we are unable to forecast the demand for, and to develop new products or to adapt our existing products to meet, evolving standards and other technological innovations, or if our products and services do not gain the acceptance of our customers, there could be a negative effect on our future results.
- Changes in the telecommunications or cable regulatory environment that, among other results, increase our costs of doing business, require our customers to share assets with competitors or prevent the Company or our customers from engaging in business activities they may wish to conduct, could significantly reduce the demand for our products and adversely affect our future results.
- Although we seek to protect our technology through a combination of copyrights, trade secret laws, contractual obligations and patents, these protections may not be sufficient to prevent the wrongful appropriation of our intellectual property, nor will they prevent our competitors from independently developing technologies that are substantially equivalent or superior to our proprietary technology. If we are unable to successfully assert and defend our proprietary rights in the technology utilized in our products, or if third parties are able to successfully assert that our use of technology infringes upon the proprietary rights of others, our future results could be adversely affected.

- Some of our products require technology that we must license from the manufacturers of systems with which our products must be compatible. If we are unable to obtain and retain these license agreements on favorable terms, there could be a material adverse effect on our business.
- We depend upon a limited number of third party subcontractors to manufacture certain aspects of our products and we procure components from a limited number of outside suppliers. If we were to encounter a shortage of key manufacturing components from limited sources of supply, or experience manufacturing delays caused by reduced manufacturing capacity or integration issues related to our acquisition of the Cheetah product line, the loss of key assembly subcontractors or other factors, our ability to produce and ship our manufactured products and therefore our future results could be materially adversely affected.
- We have recently completed, and we may pursue additional, acquisitions of companies, product lines and technologies, which acquisitions involve numerous risks, including the disruption of our business, exposure to assumed or unknown liabilities of the acquired target, and the failure to integrate successfully the operations and products of acquired businesses. Goodwill arising from acquisitions may result in significant charges against our operating results in one or more future periods. Furthermore, we may never achieve the anticipated results or benefits of an acquisition, such as increased market share or the successful development and sales of a new product. The effects of any of these risks could materially harm our business and reduce our future results of operations.
- The carrying value of certain of our intangible assets, consisting primarily of goodwill related to our LoopCare software and Cheetah product line acquisitions from Lucent Technologies, Inc. and Acterna, LLC, could be impaired by changing market conditions. We are required under generally accepted accounting principles to review our amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. Factors that may indicate that the carrying value of our intangible assets may not be recoverable include a decline in stock price and market capitalization and lower than anticipated cash flows produced by such intangible assets. If our stock price and market capitalization decline, or if we do not realize the expected revenues from an intangible asset, we may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of that intangible asset is determined.
- Our future sales in international markets are subject to numerous risks and uncertainties, including local economic and labor conditions, political instability including terrorism and other acts of war or hostility, unexpected changes in the regulatory environment, trade protection measures, tax laws, our ability to market current or develop new products suitable for international markets, obtaining and maintaining successful distribution and resale channels and foreign currency exchange rates. Reductions in the demand for or the sales of our products in international markets could adversely affect future results.
- Any significant product defect, error or failure could jeopardize our relationships with our customers, resulting in substantial costs for the Company and our customers as well as the cancellation of orders, warranty costs, product returns and legal actions that could adversely affect our future results.
- If third parties with whom we have entered into OEM and other partnerships should fail to meet their own performance objectives, customer demand for our products could be adversely affected, which would have an adverse effect on our revenues.
- There is a trend for some of our customers to place large orders near the end of a quarter or fiscal year, in part to spend remaining available capital budget funds. Seasonal fluctuations in customer demand for our products driven by budgetary and other reasons can create corresponding fluctuations in period-to-period revenues, and we therefore cannot assure you that our results in one period are necessary indicative of our revenues in any future period.
- The markets for some of our products are very competitive. Some of our competitors may have greater technological, financial, manufacturing, sales and marketing, and personnel resources than we have and may have an advantage in responding more rapidly or effectively to changes in industry standards or technologies and may better withstand the pricing pressures that increased competition may bring. If our introduction of improved products or services is not timely or well received, or if our competitors reduce their prices for products that are comparable to ours, demand for our products and services could be adversely affected.
- The successful development of a secondary market for our products could negatively affect demand for our products, reducing our future revenues.
- If the Company is unable to identify and hire the personnel that we need to succeed, or if one or more of our present key employees were to cease to be associated with the Company, our future results could be adversely affected.
- The sales cycle for our software products is long, and the delay or failure to complete one or more large license transactions in a quarter could cause our operating results to fall below our expectations. Our software involves significant capital commitments by customers, even at the stage of an evaluation of the software products. Licensing of our software products often requires an extensive sales effort involving a significant number of customer personnel in various functional and geographic areas, each often having specific and conflicting requirements. A variety of factors, including actions by competitors and other factors over which we have little or no control, may cause potential customers to favor a particular supplier or to delay or forego a purchase.

- We recently emphasized our network assurance and testing software solutions and cable status monitoring products, when we acquired the LoopCare software and Cheetah product lines in 2001 and 2003, respectively. A substantial portion of our research and development expenses currently relates to these products. We have adjusted our business model to focus heavily on our cable performance and status monitoring products. We are actively engaged in research to improve and expand our cable products, including research and development of VoIP solutions. Our cable products have lower margins than our MCU, LoopCare and DigiTest system products. If sales of our cable testing products do not increase or are not accepted in the marketplace, or if our research and development activities do not produce marketable products that are both competitive and accepted by our customers, our overall revenues and profitability will be adversely affected. In addition, although software products generally generate higher margin returns for us than our hardware products, the initial development costs of software applications, coupled with the inherent problems with pricing software sold to customers, can make it difficult to assess the potential profitability of new software products. Unless we acquire proprietary software, we must internally develop any new software products. Software development is a relatively expensive and lengthy process. In addition, because it is customary in our industry to sell perpetual enterprise licenses that cover an entire customer's operations, it can be difficult to assess at the time of sale the exact price that we should charge for a particular license.
- Although we evaluate our disclosure controls and procedures as of the end of each fiscal quarter, and have completed the process of reviewing and establishing internal control over financial reporting for the year ended December 31, 2004 in order to comply with SEC rules relating to internal control over financial reporting adopted pursuant to the Sarbanes-Oxley Act of 2002, we may not be able to prevent all instances of accounting errors or fraud in the future. Our controls and procedures do not provide absolute assurance that all deficiencies in design or operation of these control systems, or all instances of errors or fraud, will be prevented or detected. These control systems are designed to provide reasonable assurance of achieving the goals of these systems in light of legal requirements, our resources and nature of our business operations. These control systems remain subject to risks of human error and the risk that controls can be circumvented for wrongful purposes by one or more individuals in management or non-management positions. Our business could be seriously harmed by any material failure of these control systems.
- Because our cable products generate lower margins for us than our proprietary MCU and software offerings, an increase in the percentage of our sales of cable-related products relative to our traditional products will result in lower profitability. Furthermore, as consolidations within the cable industry and the adoption of the DOCSIS standards have caused and could continue to cause pricing pressure as competitors lower product pricing, our revenues have been and may continue to be adversely affected. Although we have developed DOCSIS compliant hardware and our relationship with Alpha is one that we believe will prominently position us to succeed in the marketing of DOCSIS products, these DOCSIS products will likely generate lower margins than have historically been generated by our proprietary technology. As a result, as our business shifts from our higher margin proprietary products to lower margin cable offerings and standardized products for which we have competition, we will need to sell greater volumes of our products to maintain our profitability.
- Our common stock price has been and is likely to continue to be highly volatile. The market price may vary in response to many factors, some of which are outside our control, including: general market and economic conditions; actual or anticipated variations in operating results; announcements of technological innovations, new products or new services by us or by our competitors or customers; changes in financial estimates or recommendations by stock market analysts regarding us or our competitors; announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments; announcements by our customers regarding end market conditions and the status of existing and future infrastructure network deployments; additions or departures of key personnel; and future equity or debt offerings or our announcements of these offerings. In addition, in recent years, the stock market in general, and The Nasdaq National Market and the securities of technology companies in particular, have experienced extreme price and volume fluctuations. These fluctuations have often been unrelated or disproportionate to the operating performance of individual companies. These broad market fluctuations have in the past and may in the future materially and adversely affect our stock price, regardless of our operating results. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been initiated against such company. Such litigation could result in substantial costs and a diversion of our management's attention and resources that could harm our business.
- We may from time to time be involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation matters are inherently unpredictable, and we cannot predict the outcome of any such matters. If we ultimately lose or settle a case, we may be liable for monetary damages and other costs of litigation. Even if we are entirely successful in a lawsuit, we may incur significant legal expenses and our management may expend significant time in the defense. An adverse resolution of a lawsuit or legal proceeding could negatively impact our financial position and results of operations.

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