



Press release

3S PHOTONICS Announces Results for 2010 Fiscal Year

3S PHOTONICS announces 9% growth in turnover and significant increase of operating profits.

Nozay, France – December 8, 2010 – 3S PHOTONICS, world-leading French manufacturer of optical and optoelectronic components for telecommunications networks, today reported growing FY10 financial results (ended June 2010). The past year was particularly marked by the acquisition in February 2010 of Avensys Inc, a Canadian company.

3S PHOTONICS manufactures high value products developed to cater to the needs of cutting edge technology markets. Among them, the terrestrial and submarine long distance transmissions market reported a strong growth resulting from the increasing global Internet traffic. As the world leader on the submarine pumps market with 80% of market shares, and after winning 7% of the terrestrial pumps in only 2 years, 3S PHOTONICS benefited from these favorable market conditions. As a result, the company completed its 2010 fiscal year with a 9% growth of its turnover in France compared to 2009, reaching €25.22 million.

Operating profits raised from €0.11M in 2009 to €1.98M in 2010. This important growth results from an increase by 10% of overall operating revenue from €32.6M to €36M. A €2.2M net profit has also been transferred to the equity of the company, to attain €22.28M against €20M.

Export turnover represents 95%, the optimized procurement of foreign currencies by the financial department allowed the company to register a profit of €255,500.

During this fiscal year, the company also pursues its efforts to reduce operating expenses by €1 million this year.

The expected recovery of the submarine market, which suffered from the economic slowdown in 2009 and the introduction of new products dedicated to the optical transmission market, allow 3S PHOTONICS to anticipate an increase of 10% in turnover for its 2011 fiscal year. This growth will be reinforced by creating new synergies with Avensys Inc.

“Our 2010 fiscal year was particularly marked by the acquisition of Avensys Inc. This alliance resulted in the creation of the 3S PHOTONICS group. We already achieved synergies between both companies in terms of product development and the strategic locating of our Canadian subsidiary in North America is an important building block for our international expansion.”, comments Alexandre Krivine, President and CEO of 3S PHOTONICS Group. *“The coming year also promises to be successful. We anticipate a growth in turnover of 10% and a US\$ 70M revenue for our consolidated group. Next year, we will also concentrate on our expansion policy and strategic partnerships in order to strengthen our international position.”*

About 3S PHOTONICS

3S PHOTONICS – formerly Alcatel Optronics – is the leading world manufacturer of laser chips, optical discrete modules and components for telecommunication networks. It designs, develops, manufactures and commercializes active components powered by in-house III-V optoelectronic chips based on both Gallium Arsenide (GaAs) and Indium Phosphide (InP) technologies and passive components using Fiber Bragg Gratings (FBG).

The 3S PHOTONICS renowned optoelectronic chip manufacturing plant of Nozay is a technological feat that is unique in the world as it brings together GaAs and InP technologies under the same roof.

Its product portfolio includes five product lines:

- * Transmission Laser and Detector Modules
- * Pump Laser Modules for terrestrial and submarine applications
- * Chromatic Dispersion Compensation Modules
- * Filters, gain equalizers and pump stabilizers based on Fiber Bragg Gratings for terrestrial and submarine applications
- * Chips (lasers and detectors) and Front End Services

With over 15 years of experience, the company takes advantage of its expertise and know-how to also address new markets, providing smart solutions for defense, industrial and medical applications.

Based in Nozay (Essonne near Paris), 3S PHOTONICS is run by Alexandre Krivine and Didier Sauvage. The company employs over 170 people, of which 130 are experts in the photonics industry.

www.3Sphotonics.com

Press Relation

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