

Press Release
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Optoelectronics: Launch of the 3S PHOTONICS company

After an initial agreement announced on March 8th, Avanex Corporation (NASDAQ: AVNX), a pioneer in intelligent photonic solutions that enable next-generation optical networks, finalised the sale of its French subsidiary, Avanex France S.A., to its director Didier Sauvage (MBO) and Global Research Company, held by Alexandre Krivine.

Based in Marcoussis (91), Avanex France – formerly Alcatel Optronics – is one of the world leaders in optical modules and components for telecommunications networks. Subsequent to this purchase, the company will be renamed 3S PHOTONICS.

The closing operations were accompanied with the appointment of the company's board. Didier Sauvage, who previously directed Avanex France, now holds the position of Chief Operating Officer of 3S PHOTONICS, and is responsible for the company's Research & Development. Alexandre Krivine, specialist in French high-tech success stories, now 3S PHOTONICS' main shareholder, takes the position of President and Chief Executive Officer. Assisting them, Yannick Bailly fills the position of Vice President of Marketing and Michel Privat that of Vice President of Sales. Etienne Barbry is appointed Vice President of Finance.

During the transaction, Avanex Corporation paid the purchasers nearly 17.3 million dollars in anticipated operating capital, including current liabilities for previous restructuring activities. It maintains a 10% interest in the sold businesses as well as privileged commercial partnerships. The optical interface activity that was previously carried out in France was kept by the Avanex Corporation group.

With over a hundred employees, 3S PHOTONICS is forecasting a sales figure of 27 million euros for 2007.

« Photonics is the technological stake of the century, just as the invention of the microprocessor was in the last century. Thanks to its know-how, 3S PHOTONICS has the possibility of becoming a decisive actor, internationally, in photonics », declared Alexandre Krivine, the company's President.

Consolidate what exists and diversify

3S PHOTONICS is one of the 3 actors in the world manufacturing the main chips for telecoms applications.

In terms of telecommunications, through its products, it is already addressing the WAN market: metro – the city's network -, the long haul - interconnection between cities - and submarine - undersea links-.

Growth will be based on the existing product portfolio and on a mid-term diversification strategy by opening up to the datacom (inter-company networks) and FTTH markets (fiber-to-the-home). It is also targeting markets concerning Defence, industrial lasers and the medical sector with latest-generation lasers for the bio-instrumentation (DNA sequences, haematology or retinal imagery for example).

In addition, the implementation of a network of partnerships with universities and research centres in Europe should allow it to maintain its technological leadership and to ensure long-term growth.

A single objective: strengthen 3S PHOTONICS' world leadership

3S PHOTONICS is today the top industrialist in Europe and one of the world leaders in developing and manufacturing III-V optoelectronic chips based on GaAs (Gallium Arsenide) and InP (Indium Phosphide), associated fibre modules and fibre optic Bragg gratings.

3S PHOTONICS has a team of over one hundred employees, specialised in manufacturing semiconductors (epitaxy, wafer and die processing, dicing, etc.), assembly processes (optical, micromechanical, thermal, soldering, YAG laser welding, etc.), reliability tests, inscription of optical fibers with Bragg gratings, including fiber stripping, handling and recoating.

The 3S PHOTONICS renowned optoelectronic chip production plant in Nozay (91) is a technological feat that is unique in the world as it brings together GaAs and InP technologies under the same roof. With over twenty year's of experience in optoelectronic technologies, the plant has 2000 m² of class 1000 and class 10000 clean rooms, and an annual production capacity exceeding 1,000 GaAswafers and 1,000 InP wafers. It is equipped with the most advanced equipments: MOVPE, MBE, RIBE, ICP, PECVD, DIBS, Evaporation, UHV Passivation, E-Beam Evap, IBD.

3S PHOTONICS, the origin

A French research laboratory dedicated to photonics, created in the 1980's, the current 3S PHOTONICS attracted the attention of the Alcatel group in 1991. In 1994, the laboratory became Alcatel Optronics SA, a fully-owned subsidiary of the group. Listed on the stock exchange in 2000, Alcatel Optronics enjoyed phenomenal growth from 1999 to 2001, correlated with the fast expansion of the Internet. As with the entire telecoms market, its growth was affected by the bursting of the Internet bubble at the end of 2001. In 2003, Alcatel sold Alcatel Optronics to Avanex, a Californian company, and took on the name of Avanex France.

In April 2007, it has been acquired by Alexandre Krivine and Didier Sauvage and renamed 3S PHOTONICS.

About 3S PHOTONICS

3S PHOTONICS – formerly Alcatel Optronics - is one of the world's leading industrialists in optical modules and components design for telecommunications networks.

With over 13 years of experience, 3S PHOTONICS designs, develops, manufactures and sells active components powered by in-house III-V optoelectronic chips based on both Gallium Arsenide (GaAs) and Indium Phosphide (InP) technologies as well as passive components using Fiber Bragg Gratings (FBG). The company also provides foundry services using the related epitaxial and wafer processing expertise.

The product portfolio is organized in four product lines:

- * Transmission laser and detector modules,
- * Pump laser modules for terrestrial and submarine applications,
- * Chips (lasers and detectors) and foundry services,
- * Filters, gain equalizers and pump stabilizers for both terrestrial and submarine applications.

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Based in Marcoussis (France), 3S PHOTONICS is directed by Didier Sauvage. His team is made up of more than a hundred experts in photonics.

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