



Press Release

## 3S PHOTONICS Announces Fiscal Year 2009 Results

**3S PHOTONICS – formerly Alcatel Optronics and Avanex France – which carries out 95% of its turnover abroad, consolidates a healthy financial position.**

**Nozay, November 16, 2009** – 3S PHOTONICS, world-leading French manufacturer of optical and optoelectronic components for telecommunications networks, today reported financial results in line with expectations for fiscal year ended June 2009.

Despite a challenging worldwide economic and financial environment, 3S PHOTONICS keeps its course. It indeed reports a slight drop in its turnover limited to 10% when compared to FY2008, while its main competitors are experiencing a decline of around 30% of their revenues.

Thus, the company records a 23.04 million euros turnover for fiscal year 2008/2009.

In 2009, 3S PHOTONICS' net income and cash flow remain positive, without taking into account the funds raised back in July from three investment funds - FSI, Alto Invest and Midi Capital -, the funds raised being mainly devoted to support the acquisition strategy implemented by the company. From a financial standpoint, equity capital raised from 12 to 20 million euros.

In 2009, 3S PHOTONICS has also reduced its financial debts. Operating expenses were lowered as well, in line with the turnover.

*"Great efforts have been made to reduce our operating expenditure. At the end of the first quarter of our fiscal year 2010, our expenses are fully in line with our budget" explains Alexandre Krivine, Chairman, President and CEO of 3S PHOTONICS. "Despite adverse economic conditions, we are pleased to sustain a healthy financial position with positive operating profit and a stable debt".*

Purchased by Alexandre Krivine and Didier Sauvage from the American group Avanex Corp. in April 2007, 3S PHOTONICS was then deeply in debt.

In 2 years, 3S PHOTONICS recovered its financial stability leveraging its existing product portfolio and opening up to new segments of the telecommunications market such as pump modules for terrestrial applications or transmission lasers for FTTH (Fiber-To-The-Home) and PON (Passive Optical Networks).

The fact that it is so resistant to the current economic situation is due to its positioning on niche markets with strong added value or fashionable markets such as WDM, long-term projects and research and development activities partly financed by its industrial partners.

In addition to the outlets provided by the market, 3S PHOTONICS' growth over the next few years will rely on M&A activities, facilitated by the funds from its new shareholders.

## **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 14 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 160 people, of which 130 are experts in the photonics industry.

**[www.3Sphotonics.com](http://www.3Sphotonics.com)**

### **Press Relation**

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