



<u>3S PHOTONICS forms strategic relationship with Coset</u> by committing equity investment and development collaboration

Nozay, June 19th 2008 – 3S PHOTONICS, a world leading manufacturer of laser chips, optical discrete modules and components for telecommunication networks, announces the conclusion of the cash investment in Coset, a packaging specialty company in Korea, and Development Collaboration Agreement between the two companies.

Set up in the centre of Korea's most renowned photonic cluster, Gwangju City, Coset is a global provider of various packaging services for opto-electrical components. 3S PHOTONICS has already been partnering with the company for more than 2 years to package its next generation 980nm terrestrial pump laser modules released in 2008.

Signing of the two companies' strategic alliance, executed in Gwangju, was celebrated by Mr. Gwangtae Park, the city's Mayor, and other key officials in charge of the city's photonic cluster.

Coset plans to use the proceeds of 3S PHOTONICS's equity investment in strengthening its R&D capabilities for developing 3S PHOTONICS' future products as well as ramping up its capacity to meet increased packaging demand.

Michel Privat, current VP sales of 3S PHOTONICS, was invited to a seat on the board of Coset to coordinate the two companies' future collaborations.

3S PHOTONICS Chairman and CEO Alexandre Krivine commented:

"This equity participation fits strategically with our medium and long-term plan to renew and diversify our product portfolio to enter into new markets concerning defense, industrial lasers and medical sector with latest-generation lasers for the bio-instrumentation, while consolidating our position on our core business. Obvious synergies among the two companies will lead to faster development in next generation products as well as strengthen our footprint in Asia."

While Yannick Bailly, VP of Marketing for 3S PHOTONICS, asserted:

"Coset's renowned and complementary packaging know-how and capabilities, combined with our unparalleled expertise in design of GaAs & InP chips, optical discrete modules and FBG-based components will help us to provide both innovative and cost effective products to our current customer base as well as address the new markets 3S PHOTONICS is targeting."

"Considering our successful story on 980nm pump laser modules with Coset and the good cultural fit between our two organizations, Coset is a natural partner to make such a strategic deal."

About 3S PHOTONICS

3S PHOTONICS – former Alcatel Optronics and subsidiary of the Alcatel Group – is a leading supplier of optical discrete modules 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 four product lines:

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

With over 13 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, whose 130 are experts in photonics industry.

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