



Press Release

## **3S PHOTONICS records good results for fiscal year 2006/7**

**3S PHOTONICS reports net income over \$1m for fiscal year 2006/7, Q1 operating revenue over \$8m, up 25% sequentially, expects 2007/8 sales growth exceeding 38% \* to \$34-37m**

October 24<sup>th</sup> [3S PHOTONICS](#) of Marcoussis, France, a developer and manufacturer of active and passive optical modules and components used in high-speed telecommunication networks but also in defense, industrial and medical applications,

- a. Founded in 1994 in France as Alcatel Optronics S.A., a fully-owned subsidiary of the Alcatel Group.
- b. Acquired in 2003 by Avanex Corp., a Californian company, to become Avanex France S.A.
- c. Acquired in April 2007 by Alexandre Krivine and Didier Sauvage and renamed 3S PHOTONICS.
- d. Having over 13 years experience in design and manufacturing of active components powered by in-house III-V optoelectronic chips – GaAs & InP - as well as passive components using Fiber Bragg Grating.
- e. Specifically offering pump laser modules, FBG-based filters and gain flattening filters for terrestrial and submarine optical links as well as transmission EML lasers and detectors.

Has reported preliminary unaudited financial results for the fiscal year 2006/7 ended June 30, 2007 and for the first fiscal 2007/8 quarter ended September 30, 2007 as follows:

1. Net income over \$1m for fiscal year 2006/7 ended June 30, 2007, to be compared to net loss of approx. \$9.9 million in fiscal year 2005/6.
2. Operating revenues over \$8 million in first quarter of fiscal year 2007/8, up 25% sequentially compared to \$6.4 million revenues in the fourth quarter of fiscal year 2006/7.
3. Positive equity capital of \$13.5 million compared to negative one's of \$ -32.3 million before the divestiture by Avanex Corp.

For the fiscal year 2007/8, ending June 30, 2008, 3S PHOTONICS anticipates revenues in the range of \$34-37m, up 38% compared to previous fiscal year when considering post divestiture product portfolio.

3S PHOTONICS President, Chairman and CEO, Alexandre Krivine, was quoted as saying:

- "It is a great satisfaction for all of us to reach positive income so quickly after the divestiture. This recovery is the first clear sign indicating the company is on the path towards profitability thanks to all the actions launched by the new management team with the full support and involvement of the entire company. A new dynamics is born".
- "Given our good sales trends confirmed by our Q1 results and considering the global cost reduction plan launched in June '07, we are quite optimistic in achieving our ambitious but realistic goals for fiscal year 2007/8. We expect to be breakeven by Q3 2008 already".

While 3S PHOTONICS VP Marketing, Yannick Bailly, commented:

- "Indeed, given the excellent footprint we have on the submarine market, we are ideally positioned to take full advantage of the submarine market return and growth with our current product portfolio".
- "On top of that, we plan to introduce very soon a new generation of 980nm terrestrial pump laser modules powered by in-house chip technology fully qualified for submarine applications and thus ensuring an outstanding level of performance and reliability".
- "At last, we are also actively working on implementing a new worldwide sales network to keep on serving our existing customers but also expand our customer base and leverage sales of both new and legacy products"

\* Considering post divestiture product portfolio

#### **About 3S PHOTONICS**

3S PHOTONICS – former Alcatel Optronics and subsidiary of the Alcatel Group – is one of the world's leading industrial company in optical discrete modules and components for telecommunication networks. It 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 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 Grating 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 Marcoussis (Essonne near Paris), 3S PHOTONICS is run by Alexandre Krivine and Didier Sauvage. The company employs over 100 experts in photonics industry.

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