



Press release, December 12th, 2000

## **Optillion Receives Second-Round Investment of \$ 53 Million**

**¾ Crescendo Ventures, Cisco Systems and Investor AB come in as new shareholders**

**Stockholm, Sweden, December 12<sup>th</sup>, 2000: Optillion, a fibre optics transceiver company, today announced that it has concluded a \$ 53 million round of equity financing in what is one of the autumn's largest private placements in Sweden. Optillion raised \$ 53 million through a new share issue in a second round of financing. Crescendo Ventures led the \$ 53 million equity round, which also included Cisco Systems and Investor AB (via Investor Growth Capital, its venture capital company). Optillion's existing major investor, ITACT, also participated in the second round. Optillion has gathered world-leading expertise for the development and production of optical transceivers that are expected to significantly increase capacity in future broadband networks.**

The continuous increase in Internet traffic is placing even greater demands on broadband capacity. A fibre optic transceiver is a vital link in the data communication chain – consisting of a small optical transmitter and receiver located in a computer, switch, or router. Optillion's first products will be transceivers which operate at 10 times the speed of today's fastest Ethernet transceivers for data communication.

The new additional financing will enable Optillion to accelerate the development of its transceivers, build its own manufacturing plant, and open an office in the US.

"It is reassuring to see that investors have confidence in our business concept and expertise - despite the current climate of the capital market," says Patrik Evaldsson, CEO of Optillion. "Many major investors have shown interest, in this phase, we have chosen to proceed with these four companies, which make up a perfect team for Optillion. We have the right mix of financial and industrial shareholders. It is important to have partners who can not only provide capital but also expertise within the specific field."

"Our investment in Optillion is fully in line with our strategy to inject capital and know-how into potential, world-leading technology companies," says Roeland Boonstoppel, General Partner at Crescendo Ventures. "Optillion's unique business model, unrivalled technical expertise, and strong management team provide excellent conditions to become the market leader in the fast growing global high-speed optical transceiver marketplace."

"According to the Gartner Group, the total market for the next generation Ethernet (10 Gbps) is expected to reach SEK 30-40 billion within four years," says Klas Hillström at Investor Growth Capital. "High-speed optical transceivers, such as those developed by Optillion, will be an important part of this market."

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#### ABOUT OPTILLION

Optillion is a high-tech company that operates in the optic component and subsystem market. The business concept of Optillion is to develop, manufacture, and sell transceivers which will increase capacity in fibre optic networks. Transmission capacity in Optillion's first transceiver will be 10 Gbps (Gigabit Ethernet) and future products will enable even higher speeds.

Optillion was founded in December 1999 by Christer Svensson, Lars Thylén, and Jan G. Nilsson. The three company founders provide a unique base of expertise and experience to enable Optillion to develop successfully into a global market player. Svensson is a professor of electronic components at the University of Linköping; Thylén, a professor in photonics at the Royal Institute of Technology in Stockholm; while Nilsson is a successful entrepreneur. In a very short time they have put together a very strong team of experts within all the four fields which are vital for success. Today, Optillion has experts in high-speed electronics, high-speed optics, automated manufacturing, and encasing. The company currently employs 62 people of whom 45 are highly qualified engineers with M.Sc. degrees, and 19 of these also have Ph.D. degrees in electronics or photonics.

Optillion is in the process of building its own manufacturing operation in order to be able to manufacture high-performance transceivers in high volumes for 10 Gbps Ethernet. The new production facility, located in Stockholm, will manufacture optochips and encase and mount the transceivers. When the factory is finished in mid-2001, it will constitute the hub of Optillion's business operation. [www.optillion.com](http://www.optillion.com)

#### ABOUT CRESCENDO VENTURES

Crescendo Ventures is a global venture capital firm that accelerates the growth of companies by providing seed and early-stage funding in the Communications and Internet infrastructure markets. A new breed of venture capital firm, Crescendo Ventures collaborates with and supports entrepreneurs, using its industry expertise and personal approach to nurture promising ideas and companies to their full potential. Founded in 1993, Crescendo Ventures manages more than \$1 billion from its headquarters in Palo Alto, California and offices in Minneapolis and London. For additional information on Crescendo Ventures or their portfolio, please visit [www.crescendoventures.com](http://www.crescendoventures.com)

#### ABOUT INVESTOR AB

Investor AB is a long-term active global shareholder in a number of public multinational companies such as Ericsson, AstraZeneca and ABB. In addition, Investor has extensive global private equity operations with over USD 3 billion in assets under management and offices in Stockholm, New York, Palo Alto, Hong Kong and Amsterdam. The total net asset value of Investor AB is approximately USD 20 billion. Investor continues the Wallenberg family's century long history of investing in growth companies and working with management teams to build business. Investor brings together the tradition of well-established companies and opportunities presented by innovative start-ups, bridging the old and the new economy. Investor Growth Capital is a wholly owned subsidiary of Investor, focusing on private equity and venture capital investments in the IT and healthcare sector in North America and Europe. [www.investorab.com](http://www.investorab.com)

#### ABOUT ITACT

ITACT is a venture capital business with a vision and ambition to become the leading partner for early-stage, high tech information technology start-ups. ITACT provides hands-on experience and capital, and acts as a catalyst with the objective to shorten the process time from innovation to exploitation of innovation. We believe this will be possible by capitalizing on the most powerful business shift in economic history to date, the Internet, and by choosing partners who contribute with both human and financial capital, ensuring successful growth and secure returns.

As a venture capital business, ITACT focuses on commercializing world-class information technology in hardware-related start-ups. Typically we select companies with a global potential and a highly scalable business model. Many of them have so far been based on Swedish entrepreneurship, research, business ideas and patents. ITACT was founded in January, 1999 by Jan Nilsson and Martin Gren.

Among our investors are 6:e AP-fonden, Skandia, Fischer Fondkommission and Wilhelm Sonesson. Two things in particular make us stand out from our competitors. Firstly, our involvement in an extremely early phase, before a company is even fully structured and secondly, our strict focus on the area of our know-how. This dedicated attitude paired with an extensive experience of entrepreneurship and technology has already proven to be a successful recipe. However, we believe that a third factor might also play an important role; our enthusiastic commitment and interest in human resources, honoring both diversity, dedication and hard work. [www.itact.com](http://www.itact.com)