

October 30, 2002



PRESS RELEASE

Optillion Banks Series C Investment of \$15 Million

—Crescendo Ventures, Cisco Systems, Investor AB and ITACT Lead the Round—

Stockholm, Sweden—October 30, 2002—Optillion, a leader in fiber optic transceiver technology, announced today that it has concluded its Series C financing round, raising an additional \$15 million. Led by Crescendo Ventures, Cisco Systems, ITACT, and Investor AB via Investor Growth Capital, its venture capital company, the latest round brings the total venture financing raised by Optillion to \$70 million during the past two years. All four investors participated in Series B, and ITACT, a Swedish venture capital firm, provided Optillion's seed funding.

"We continue to invest in Optillion because of the company's strong technical and commercial positioning in the market," remarked Roeland Boonstoppel, General Partner at Crescendo Ventures. "Optillion's management has demonstrated the ability to execute to their business plan, and adjust that plan to the current market conditions. As a result, we believe the company will be successful going forward, and we want to be a partner in that success."

"Venture capitalists are very selective about their investments today," commented Patrik Evaldsson, CEO and President of Optillion. "Optillion's seasoned investors understand that with the large customer interest for Optillion's products, our strong product line and flexible manufacturing strategy positions us for success."

The Series C investment will be used to ramp production of Optillion's current 10Gbit/s transceiver products and to support product development, marketing and sales. In conjunction with the new funding and in line with current market conditions Optillion will make some adjustments to its organization, including a reduction in workforce.

Continued increases in Internet traffic are still placing demands on broadband capacity. As Gigabit Ethernet traffic increases fiber optic transceivers will play a vital role in the data communication chain. High-speed fiber optic transceivers – consisting of a an integrated optical transmitter and receiver located in a computer, switch, or router – such as those developed by Optillion will continue to be an important part of this market.

ABOUT OPTILLION

Optillion develops, manufactures and sells fiber-optic transceivers for networking equipment suppliers in the enterprise, metropolitan area, cable television, and storage area networking markets. The carrier grade, hot-swappable transceivers for the enterprise and metro market enable the build-out of new communication services. Optillion employs experts in high-speed electronics, high-speed optics, automated manufacturing and encasing. Optillion is a principal member of the 10 Gbit/s Ethernet Alliance and active in industry form factor alliances. Optillion's investors include ITACT, Crescendo Ventures, Cisco Systems and Investor AB via Investor Growth Capital, its venture capital company. Visit Optillion at 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

ABOUT INVESTOR AB

Investor AB is Sweden's largest listed holding company and a long-term active shareholder in a number of public multinational companies such as AstraZeneca, Ericsson and SEB. 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. 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, Europe and Asia.
www.investorab.com

ABOUT ITACT

ITACT is an early-stage venture capital firm that 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. Founded in 1999, ITACT focuses on commercializing world-class technology in hardware-related start-ups. Typically, ITACT invests in companies based on extensive Swedish research & technology with a global market potential and a highly scalable business model.
www.itact.com

Contacts:

Heléne Wolpher
VP Corporate Communication, Optillion
+46 8-527 252 23
+46 701-81 52 23

Patrik Evaldsson
CEO, Optillion
+46 8-527 252 11
+46 701-81 52 11

Roeland Boonstoppel
General Partner
Crescendo Ventures
+44 20 75 29 63 00

Klas Hillström
Director, Investor AB
+46 8 614 2000

Fredric Gunnarson
CEO, ITACT
+46 8 611 63 58