

CyOptics to Acquire Apogee Photonics

Acquisition Expands CyOptics 10Gb/s and 40Gb/s Laser Products and Creates Comprehensive Portfolio to Support Optical Network Applications

LEHIGH VALLEY, PA – March 20, 2007 - CyOptics, Inc, a leader in Indium Phosphide (InP) optical chip and component technologies, today announced the signing of a definitive agreement to acquire Apogee Photonics, a leading supplier of laser sources for the fast growing 10Gb/s and emerging 40Gb/s markets. Terms of the transaction are not disclosed.

The acquisition extends CyOptics' high-speed source laser capabilities and positions CyOptics with the most comprehensive portfolio of InP-based transmit and receive optical chips and components for telecommunications and data communications applications. Apogee Photonics manufactures high-speed lasers and offers a broad portfolio of short and long reach products.

"10Gb/s ports are really hitting their stride right now, accelerated by Ethernet at this speed," said Karen Liu, research director, Components at Ovum-RHK. "10Gb/s ports overall will grow from 578,000 shipped in 2006 to over 3 million forecasted for 2011."

Apogee Photonics' 10Gb/s and 40Gb/s 1550nm LIM supports optical link distances up to 110km and incorporates integrated InP lasers, modulators and optical amplifiers in a standard 7-pin EML-compatible package while providing higher output power and better dispersion performance than standard, monolithic EMLs. The Apogee Photonics uncooled 1310nm 10Gb/s EML supports both 10Gb/s Ethernet and SONET links up to 10km and delivers the highest mask margin and bit error rate performance available today. In addition, Apogee Photonics is developing a family of uncooled CWDM EML lasers operating up to 25Gb/s that will support the deployment of 100Gb/E optical links, the next-generation of Ethernet data rates.

"The addition of the Apogee Photonics product family further expands our already broad product portfolio, making CyOptics the leading pure-play supplier of InP chips and components," said Ed Coringrato, CEO of CyOptics. "The optoelectronics industry is continuing its consolidation and CyOptics is growing its revenue by offering our customers one-stop-shopping for best-in-class component solutions. Our primary integration focus is to serve Apogee Photonics' customers with a continuity of supply, outstanding value and technical support and continuous dialogue on our technology developments and product roadmaps."

Mike Decelle, CEO of Apogee Photonics, said, "The combination of Apogee Photonics and CyOptics offers highly complementary products and customers. Apogee Photonics has established a leadership position in high-speed source lasers so CyOptics is well positioned to address all of the high growth markets for optical components, including 10Gb/s and 40Gb/s lasers and detectors for pluggable transceivers, tunable laser transmitters for agile optical networks, lasers and detectors in broadband access networks, and Photonic Integrated Circuits (PICs), enabling the next-generation of optical network technology."

Apogee Photonics was created from the July 2005 merger of ASIP and T-Networks and is a key supplier to major system integrators and sub-system manufacturers. In May 2005, CyOptics acquired TriQuint Semiconductor's Optoelectronics Division and managed a highly successful integration.

About Apogee Photonics

Apogee Photonics is a pure play supplier of high speed, integrated optical components to the communications industry, providing the broadest line of 10Gb/s and 40Gb/s laser sources, from short-reach TDM links to long-reach DWDM links. Apogee Photonics' innovative technology, which is deployed in tier-one system OEMs and module vendors worldwide, exceeds the capabilities of other optical semiconductor technologies in terms of performance, power dissipation, and extended temperature operation. Apogee Photonics' products are highly reliable, with no field failures in more than 300 million hours of operation. Apogee Photonics is ISO 9001 certified and is headquartered in Allentown, Pennsylvania. For more information, please visit www.apogeephotonics.com.

About CyOptics

Founded in 1999, CyOptics designs, develops, and markets a full line of InP optical chips and components for integration into access, metro, and long-haul communications systems. The company also provides complete contract design, foundry, and packaging services. CyOptics is an industry leader in hybrid integration using different elements in a single package and monolithic integration on a single chip. Manufacture is enabled by an automated "nano-tech"- capable assembly and test process that delivers optimum performance, uniformity and cost. The Company's wafer/chip fabrication operations are located in Lehigh Valley, Pennsylvania, and its planar automated packaging and testing operations are located in Matamoros, Mexico.

CyOptics is ISO 9001:2000 certified. For more information, please visit <http://www.cyoptics.com> or call 1-610-529-5758.

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