



## PRESS RELEASE

### METROPHOTONICS DEBUTS WITH SIGNIFICANT FINANCING IN PLACE

#### **METROPHOTONICS INC. ANNOUNCES \$62.5 MILLION CDN FINANCING**

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##### ***MPI poised to develop photonic integrated circuits***

OTTAWA, Ontario – October 30, 2000 – MetroPhotonics Inc. (MPI), an emerging player in the research, design, and production of innovative, high-capacity optical components for metropolitan (local access) telecommunications networks, today announced it has raised \$62.5 million CDN in a round of financing managed by Yorkton Securities.

The funding is believed to be one of the largest private financing deals for a photonics/fibreoptic firm in Canada.

MetroPhotonics boasts a team of leading photonics/fibreoptic scientists under the direction of Chief Technology Officer **Emil Koteles**, a recognized industry expert. MPI has applied for two full patents and three provisional patents for technology that will significantly reduce the cost of expanding metropolitan fibreoptic networks.

"Our first products — passive optical components — will significantly reduce the costs of metropolitan optical networks, allowing carriers and service providers to offer their customers much higher bandwidths and improved rich-media services," said **John-Peter Bradford**, **Chairman and CEO**.

"Revenue from these early products and our funding will allow us to quickly develop our first Photonic Integrated Circuits (PICs). PICs represent a major step forward, combining passive and active optoelectronic devices on a single semiconductor wafer, lowering costs while dramatically increasing Internet speeds."

Except for the so-called "last mile" going to businesses and homes, most high-speed Internet and telephony traffic is already carried as light on fibreoptic networks. To make efficient use of the fibre, many different wavelengths of light are put on the same fibre. This process, known as WDM (Wavelength Division Multiplexing), and long touted as the solution to the local access problem, currently requires a number of costly components. PICs would do the work of all these components, dramatically lowering costs. But thus far, there has been no affordable way to manufacture photonic integrated circuits.

MPI has developed a simple, cost-effective solution. The company's design team has devised a way to combine innovative waveguide and device designs with existing, inexpensive



semiconductor fabrication technology. This will allow MPI to develop and manufacture efficient, affordable PICs that will replace a number of costlier components.

“MetroPhotonics is poised to introduce a family of commercially viable photonic integrated circuits, and we believe this represents an exciting opportunity for our investors,” said **Mitchell Greenspoon, Executive VP of Yorkton Securities** in Montreal.

MPI is privately held and has 16 employees. The company expects to grow to more than 40 employees over the next few months.

MetroPhotonics plans to use the funding to purchase semiconductor manufacturing equipment, hire additional staff and move into its own headquarters in 2001. The company currently uses lab space and facilities at the Communications Research Centre in Ottawa.

In June, MetroPhotonics raised approximately \$8 million CDN in a funding round arranged by GroomeCapital.com of Montreal. This brings the total amount raised by MPI in its first six months to more than \$70 million CDN.

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#### **About MetroPhotonics**

MetroPhotonics is a privately held company that is developing optical components and technology for the next-generation of optical networks. MPI is pioneering the future right now in research, design, and the production of innovative, high-capacity WDM optical components for metropolitan areas. For more information, please visit [www.metrophotonics.com](http://www.metrophotonics.com) or call 613-225-4856 (Eastern Time)

#### **About Yorkton Securities**

Yorkton Securities is Canada’s leading technology investment bank with offices in Toronto, Calgary, Montreal, Vancouver, Ottawa, London, U.K., and Chicago, U.S.A. Yorkton is the market share leader in underwriting Canadian Internet & e-business, Technology and Healthcare companies. Yorkton is active in all aspects of the capital markets, including private and public equity financing, equity research, institutional sales & trading, private client services, strategic advisory, mergers & acquisitions, and venture investing. For more information, please visit [www.yorkton.com](http://www.yorkton.com)

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