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KTB TECHNOLOGIE

BETEILIGUNGSGESELLSCHAFT MBH & CO. KG

Press Release

MergeOptics Raises €5.3 M / \$8.5 M – in Fourth Round Led by KTB

Berlin, May 5th, 2008 MergeOptics GmbH, a leading supplier of low power, fiber optic components and subsystems for data rates of 10Gbit/s and beyond, announced today that the company has raised €5.3 M / \$8.5 M in its fourth round of financing led by KTB along with the existing investors Earlybird, Target Partners and DVC.

Established in November 2000, MergeOptics has built a leadership position in the fast growing 10Gbit/s transmission module market. To-date, MergeOptics has shipped more than 75.000 modules to network equipment manufacturers, worldwide. The investment will be used to finance MergeOptics' growth, finance the market introduction of additional product lines for 40Gbit/s and 100Gbit/s and finance the expansion into the US market. Company's new office has been recently opened in Milpitas, California.

Commenting to the financing round, **Dag Neumeuer, CEO of MergeOptics said:**
"We are very pleased to have KTB added to our investor-base, with it's expertise in particular in late stage financing."

Comment Norbert Kopp, Investment Partner at KTB

"MergeOptics is one of the most innovative companies in the field of fiber optic components. I believe that MergeOptics has the capability to become one of the leading providers of transmissions modules of 10Gbit/s to 100Gbit/s. These components will meet a strong demand from the fast growing Internet TV activities. MergeOptics is an IPO candidate with an attractive fast growing business with over 1000% increase in turn-over from 2005 to 2007. The purpose of this round of financing was to provide MergeOptics with funds needed to finance the ongoing growth and to prepare for a planned IPO. KTB will actively support the IPO."

Comment Dr. Christian Nagel, Managing Partner, Earlybird and Chairman of the Advisory Board

„As Early-Stage Lead-Investor we are pleased to see that MergeOptics realizes the vision we had at our initial investment: We had great promise in the fiber optic communications sector and in the team to be able to establish MergeOptics to an emerging leader in this field."

About KTB Technologie Beteiligungsgesellschaft mbH & Co KG

KTB is a venture capital company focused on growth and turn around investments in small and mid sized companies. KTB is engaged in listed and non listed companies and has successfully financed in

the fields of software, spectrometers, tools and other industries. KTB has a fund volume of 28 Mio. Euro, it's largest investor is tbg a daughter of the Kreditanstalt für Wiederaufbau (KfW). KTB invests between 1 and 5 Mio. Euro per project as a leading investor and has successfully led financing rounds with a capital raised of up to 20 Mio. Euro. KTB has invested in 10 projects since 1999. KTB is a financial investor with a long term approach.

KTB Technologie Beteiligungsgesellschaft mbH & Co KG

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About MergeOptics GmbH

MergeOptics GmbH, was founded in Germany, in September 2000. The company develops highly integrated components for the rapidly growing high-speed fiber optic data transfer market. The company integrates optical components (lasers, modulators and photo diodes) with high-frequency electrical circuits to create compact modules that operate with industry standard optical and electrical interfaces. MergeOptics' business objective is to specialize in high-speed optical products that are world-class for both integration and performance. MergeOptics maintains partnerships with several leading German Universities and research facilities, including the prestigious Heinrich-Hertz-Fraunhofer Institute in Berlin, Germany.

MergeOptics GmbH

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About DVC Deutsche Venture Capital

DVC Deutsche Venture Capital, a leading venture capital firm based in Munich, focuses primarily on European growth companies in the areas of information, telecommunication, semiconductor and industrial technologies as well as life sciences. In the field of life sciences DVC invests in the development of therapeutic and diagnostic products as well as in platform and medical technologies. DVC's total administrated fund volume amounts to €300 millions. For investments in private companies, DVC invests approximately €1 - 10 millions as lead investor or, in the case of larger financing rounds, as co-lead investor. DVC is a "value-added" financial investor. Each sector team consists of experienced investment managers with relevant backgrounds. Since its formation in 1998, DVC has invested in approximately 70 companies.

DVC Deutsche Venture Capital

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About Earlybird

Earlybird Venture Capital, established in 1997, is one of Europe's leading technology investors. Earlybird seeks to invest in companies led by outstanding people who are building technology enabled scalable companies for fast growing international markets. Earlybird invests primarily in early stage technology companies with a large business perspective, sourced from German speaking countries as well as the Nordics, France, Benelux and selectively the UK. The current investment focus includes software, semiconductor, communication, internet services, cleantech and medtech. The Earlybird team creates value by understanding their target investment sectors well and strongly supports the development of each company.

Six of Earlybird's high-tech investee companies have floated on various European stock exchanges: Interhyp, Tipp24 and Willex (all Prime Standard, Frankfurt), Esmertec (Swiss Exchange, Zurich), Entelos (London Stock Exchange) and NoemaLife (Borsa Italiana, Milan). In addition, Earlybird supported element 5 in its acquisition by Digital River, Identify in its acquisition by BMC Software, Alantos in its sale to Amgen for \$300 million, AbaXX in its sale to Cordys, amaxa in its acquisition by Lonza and dooyoo.de in its sale to LeGuide.com.

Earlybird

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About Target Partners

Munich-based Target Partners is a venture capital partnership focused primarily on investments in the IT and communications industries. With many years of experience as managers, entrepreneurs and venture capitalists, the team at Target Partners supports entrepreneurs in developing and marketing products and services, building organizations, raising funds and taking companies public in Europe and the United States. Target Partners' fund capital of €175 millions is intended for investment in young start-ups, primarily during the first or second rounds of funding. Target Partners has an extensive network of contacts in the technology and venture capital industries in Europe and the United States.

Target Partners

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