

MEDIA RELEASE

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\$100 MILLION BOOST FOR PHOTONICS IN VICTORIA

Melbourne, 16 October, 2003

The photonics industry in Victoria, Australia, received a major boost yesterday with the announcement of a partnership that will support Australia's growing Fibre-To-The-Premises (FTTP) market.

In an announcement in Melbourne, the Minister for Innovation, the Hon. John Brumby, MP, detailed a partnership between leading local optical communications company and Victorian Photonics Network member, CEOS Pty Ltd, and global Japanese electronics company, Hitachi, Ltd.

CEOS and Hitachi have separately been working in the development of Passive Optical Network (PON) technology for the emerging FTTP market. The new partnership will involve Hitachi gaining access to intellectual property developed by CEOS, while CEOS will gain access to Hitachi's technology, manufacturing and marketing capabilities.

Victorian Photonics Network Executive Director, Terence Polkinghorn, welcomed the news that the partnership will result in AUD\$100 Million growth in sales of PON technology for CEOS over five years.

"This partnership is a major boost for the photonics industry in Victoria and is the biggest single positive photonics industry news in Australia for many years. It is testament to the innovative capacity of small Australian technology companies that they can develop leading products for the global marketplace and attract the attention of one of the world's leading technology companies."

Dr Jonathan Spring, Managing Director of CEOS Pty Ltd, acknowledged the important role played by the Victorian Photonics Network in the company's partnership with Hitachi. "Having developed our PON technology over a number of years, our strategy was to find a global player with whom we could address the emerging FTTP market. The VPN's decision to host a function at the Optical Fiber and Communication exhibition in Atlanta in March this year provided CEOS with the opportunity to meet Hitachi and our partnership developed from there."

According to Terence Polkinghorn, the CEOS-Hitachi partnership will be critical to laying the foundations for the development of the ultra-broadband industry in Victoria.

“This announcement reinforces Victoria’s position as a centre of excellence for research and innovation in photonics in the Asia Pacific region. CEOS is just one of many small, innovative local companies creating new technology to meet market opportunities. The environment created in Victoria with an excellent education and research infrastructure, in addition to the support of the State Government of Victoria into initiatives such as REDlab, COLT and the VPN, promises to continue to produce new and exciting job opportunities, exports and wealth for Victoria”, he said.

For further information contact:

Mr Terence Polkinghorn, Executive Director, Victorian Photonics Network, Tel: (+613) 9458 5800, or e-mail terryp@redc.com.au. Additional information about this announcement can also be found on the Victorian Photonics Network website at www.mmv.vic.gov.au/photonics.

The Victorian Photonics Network is an initiative of the State Government of Victoria, Australia, to represent the State’s growing photonics cluster. It represents the growing community of interest based around the emerging technology of photonics, and includes members from academia, industry and government.

The VPN is a member of the Optical Society of America.