

NeoPhotonics Announces Definitive Agreement to Acquire Santur Corporation

Move Gives NeoPhotonics a Broad Suite of PIC Products for High Speed 40G and 100G Coherent Transport and 100G Client Interconnection

SAN JOSE, Calif.--([BUSINESS WIRE](#))--NeoPhotonics Corporation (NYSE: NPTN), a leading designer and manufacturer of photonic integrated circuit, or PIC, based modules and subsystems for bandwidth-intensive, high speed communications networks, and Santur Corporation, a leading designer and manufacturer of Indium Phosphide (InP) based PIC products, today jointly announced that they have entered into a definitive agreement under which NeoPhotonics will acquire privately held Santur Corporation. Santur is a world leader in high-performance tunable laser arrays for metro and long-haul DWDM systems and a leading developer of PIC-based products for 40Gbps and 100Gbps client side and coherent line side applications.

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NeoPhotonics has agreed to pay an estimated \$39.2 million in cash for Santur, after deductions for closing costs and other adjustments, plus up to \$7.5 million additional cash contingent on the financial performance of Santur products subsequent to closing of the transaction through the end of 2012.

Founded in November 2000, Santur is a private company located in Fremont, California, and is focused on commercializing PIC-based laser array and packaging technologies for communications. Santur's technology includes established telecom designs offering elegant approaches to wide tunability as well as high speed transceivers. The company's products are designed to provide reduced size, power consumption and cost for a wide range of DWDM, Coherent and Client Side networking applications in 10G, 40G and 100G networks.

“Santur has developed innovative indium phosphide (InP) based photonic integration products that are critical elements in 100G coherent transmitters and that complement the NeoPhotonics PIC-based 100G coherent receiver product line,” said Tim Jenks, Chairman and CEO of NeoPhotonics. “By combining active InP PICs from Santur with our hybrid PICs, we can provide our customers with new products for 100G coherent systems that feature higher levels of integration, higher performance and greater functionality. Furthermore, Santur's advanced tunable laser products also fit with our Speed and Agility

product lines, enabling us to provide customers more complete solutions for reconfigurable networks,” continued Mr. Jenks.

“In addition, Santur is a leading provider of PIC-based 40 and 100 Gbps transceiver modules for client side and data center applications. NeoPhotonics recently entered this new and rapidly growing market segment with its first products. By combining Santur’s products, roadmap and strong customer positions with the NeoPhotonics portfolio of products, vertically integrated and high volume manufacturing capabilities, and complementary customer set, we intend to further develop our 100G coherent line side products and rapidly establish NeoPhotonics as a major vendor of client side components for the cloud,” concluded Mr. Jenks.

“Our InP PIC technologies form the foundation for our line of innovative products that we have successfully developed and sold to leading customers around the world. We believe that the combination of our technology and products with complementary technology and products from NeoPhotonics can provide compelling value to our customers. This is a case of the sum being much greater than the parts, and we believe that NeoPhotonics represents an excellent strategic fit for Santur,” said Paul Meissner, President and CEO of Santur Corporation.

Santur Corporation generated revenue of approximately \$21 million for the six months ending June 30, 2011. The Company plans to provide additional financial information relating to Santur along with guidance for the fourth quarter of 2011 when NeoPhotonics releases its financial results for the third quarter of 2011. The board of directors and stockholders of Santur have each approved the transaction. The parties expect the transaction to close in the fourth calendar quarter of 2011.

About NeoPhotonics

NeoPhotonics is a leading designer and manufacturer of photonic integrated circuit, or PIC, based modules and subsystems for bandwidth-intensive, high-speed communications networks. The company’s products enable cost-effective, high-speed data transmission and efficient allocation of bandwidth over communications networks. NeoPhotonics maintains headquarters in San Jose, California and ISO 9001:2000 certified engineering and manufacturing facilities in Silicon Valley and Shenzhen, China. NeoPhotonics has been included in the Russell 3000[®] Index since its reconstitution in June 2011. For additional information, visit www.neophotonics.com.

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About Santur Corporation

Santur Corporation is the leading integrated device manufacturer of Photonic Integrated Circuits. Having established its position as the world leader in high-performance tunable laser arrays for metro and long-haul WDM systems, Santur now is the world leader in photonic integrated products for SMF 40Gbps and 100Gbps client and coherent applications.

Forward Looking Statements

This press release contains forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results. These forward-looking statements involve risks and uncertainties, as well as assumptions and current expectations. The company's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks, uncertainties and assumptions. The risks and uncertainties that could cause the company's results to differ materially from those expressed or implied by such forward-looking statements include but are not limited to: the transaction described herein may not close; acceptance by customers of Santur PIC products or the timing of such acceptance may not be as the company expects; the company's rate of new design wins and the rate at which design wins go into production relating to the products described herein could be slower than the company expects; the demand for Santur PIC products may be volatile or lower than the company expects and its production capacity may be underutilized; demand for Santur PIC products could decrease from the company's expectations due to general conditions in the telecommunications equipment industry or the world economy generally, and other risks and uncertainties described more fully in the company's documents filed with or furnished to the Securities and Exchange Commission.

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