

Mesophotonics secures \$10 million (£5.5m) in second round funding led by Quester

Southampton, UK – 26 January 2004 Mesophotonics Ltd, a developer of disruptive photonic crystal technology, today announced the closing of a \$10 million second round fund raising. Quester led the investment alongside participating investors which include Auriga Partners (Paris), NIF Ventures Co. Ltd (Tokyo) and existing investor BTG. As part of this investment, Jamie Brooke, of Quester, and François Lainée, of Auriga Partners, will join the board of directors of Mesophotonics

After nine years of research at the University of Southampton, Mesophotonics was founded in 2001, in partnership with BTG, to further develop photonic crystal devices, design products and take them to market. The new financing represents a significant milestone for the company and comes at an important juncture as it moves from a prototyping to a product development phase aimed at bringing a new class of photonic crystal optical devices to the market within 2 years. The company has already received its first purchase orders and is currently in discussions with a number of potential partners to bring further products to market

James McKenzie, CEO of Mesophotonics commented:

“We are extremely pleased to attract some of the most well-known international investors in the high-tech industry. The possible markets for Mesophotonic’s technology are vast and this new funding puts us on a firm footing to complete commercialisation of our exciting ideas. The team is already designing products to meet the visible light source demands of next generation projection display and optical storage manufacturers.”

Jamie Brooke, Investment Director at Quester who will join the company’s board commented:

“This is an excellent example of the high quality companies introduced to us through our strong university network and relationship with BTG. We are backing a sound, fast growing business and are delighted to play a role in supporting its growth ambitions. Mesophotonics has the ideal combination of large market opportunities, well protected disruptive technology, and proven management talent that are key for a successful start-up company. ”

Mesophotonics was advised by Matt Rogers and Rogere Capital on the financing.

About Mesophotonics

Mesophotonics is commercialising breakthrough photonic crystal technology that allows light to be bent, routed and processed at sub-millimetre scale. This will enable multiple optical functions and complex systems to be implemented at high density on a single silicon chip, leading the way to low cost, high volume production of integrated optical devices. Additional optical devices will also be possible at efficiencies and sizes not previously achievable as photonic band gaps are used to modify fundamentally how light is generated inside photonic crystals. The company was founded in 2001 by Prof. Greg Parker and a team of 7 founders from 3 departments at the University of Southampton with expertise in modelling fabrication design and characterisation. Previous funding of £2.8 million was provided by BTG in 2001. For further information please refer to www.mesophotonics.com.

About Quester

Quester is one of the UK's leading independent venture capital groups specialising in the provision of finance and management support for growth companies at all stages of their life. Quester's focus is on early stage investments in information and communication technology, healthcare and life science companies. With its first rate track record, Quester has earned a reputation as one of the best UK based sources of venture capital. The Quester investment team manages approximately £300 million on behalf of major institutional investors, leading UK universities, and five quoted venture capital trusts. For further information please refer to www.quester.co.uk.

About Auriga

Auriga Partners is a French independent early stage VC fund. Auriga focuses on investments in high potential innovative start ups in the areas of Life Sciences and Information Technology, mainly in Europe. To date Auriga manages about €200M funds split between 3 funds: European Medical Ventures, Auriga Ventures I and Auriga Ventures II.

About NIF

NIF Ventures Co Ltd is the venture capital arm of the Daiwa Securities Group of Japan. NIF manages approximately \$1 billion in venture capital funds and has funded over 1,500 companies and assisted over 450 companies to exit since its foundation in 1982. Its primary focus is in information and communications technologies and life science VC investments. With offices in Japan, Taiwan, Singapore, and the United States, NIF offers worldwide representation. www.nif.co.jp.

About BTG

BTG finds, develops and commercialises emerging technologies in the life and physical sciences. These innovations are protected by a strong portfolio of intellectual property that BTG develops and enhances. BTG then captures the value in these technologies through licensing and venturing activities. From the origins of its business in 1949, BTG has commercialised major innovations such as Magnetic Resonance Imaging (MRI), recombinant factor IX blood-clotting protein, Campath® (alemtuzumab) and Multilevel Cell (MLC) memory. BTG is quoted on the London Stock Exchange under the symbol “BGC” and operates from offices in London and Philadelphia, with representation in Tokyo. BTG operates through wholly owned subsidiaries, BTG International Ltd. and BTG International Inc. in the UK and USA, respectively. Further information on BTG can be found at www.btgplc.com.

About The University of Southampton

The University of Southampton is a leading UK teaching and research institution with a global reputation for leading-edge research and scholarship. The University, which celebrated its Golden Jubilee in 2002, has 20,000 students and over 4,500 staff and plays an important role in the City of Southampton. Its annual turnover is in the region of £235 million. (\$425 million). www.soton.ac.uk

For further information please contact:

Mesophotonics

John Lincoln
Director of Business Development
Tel: +44 23 8076 3752
Email: john.lincoln@mesophotonics.com
Web: www.mesophotonics.com

Quester

Jamie Brooke
Tel: +44 20 7222 5472
Email: jamie.brooke@quester.co.uk
Web: www.quester.co.uk

BTG

Andy Burrows
Tel: +44 20 7575 1741
Email: andy.burrows@btgplc.com
Web: www.btgplc.com

Auriga

Francois Laine
Tel: +33 1 53 30 07 07
Email: laine@aurigapartners.com,
Web: www.aurigapartners.com

NIF

Yasuo Miyazawa
Tel: +81 3 5201 1562
Email: miyazawa@nif.co.jp
Web: www.nif.co.jp