

Press Release for immediate publication

EXALOS signs distribution agreement with SANETRONIC Company Limited, China for its high-value added optoelectronic products

Thursday, 30 September 2004

EXALOS, a developer and manufacturer of high-value added optoelectronic devices for communication test & measurement, medical imaging, fiber optic gyroscope and sensor markets, announced today the beginning of a distribution agreement with SANETRONIC Company Limited, China as distributor of electronic and optoelectronic components and subassemblies in China.

SANETRONIC Company Limited, China will distribute EXALOS's family of superluminescent light emitting diodes (SLEDs), regionally, through its professional and highly skilled sales and application supporting organisation.

"SANETRONIC Company Limited, China profound technical and application knowledge provides customers in regional markets with all support to our product families," says J.P. Bitterli, VP Sales & Marketing of EXALOS. "We are confident that the EXALOS / SANETRONIC Company Limited, China distribution agreement will result in high-value added services and products that customers will appreciate."

Mr. P.Y. Chow, Managing Director of SANETRONIC Company Limited, is equally positive about the agreement. "The combination of EXALOS's state-of-the-art technology together with SANETRONIC Company Limited's high skilled sales, application and logistics infrastructure will engender a leading supplier of Superluminescent LEDs components and modules into Mainland Chinese Market"

EXALOS is serving customers on a worldwide base, in North America, Europe and Asia, for different applications. Currently, EXALOS's products serve more than 60 major customers across a broad spectrum of industries and application space. EXALOS forms part of the approved vendor list (AVL) of many of its clients and has won volume purchase agreements (VPA) with a number of significant customers as vendor of choice.

As the preferred supplier of best price/performance value SLEDs to the world and after its new additions to its product range, EXALOS is poised to significantly increase further its market presence as the global leader in the SLED market. EXALOS is aggressively expanding, and has the right people in the sales and marketing force, to enhance its global presence and to help serve its customers' growing needs worldwide.

For more information about EXALOS's product families please visit www.exalos.com or contact

Johann Peter Bitterli, VP Sales & Marketing, EXALOS AG, bitterli@exalos.com or
P.Y. Chow, Managing Director SANETRONIC Company Limited, China py_chow@sanetronic.com

About EXALOS AG

EXALOS SLED products find a wide variety of applications in fiber optic gyroscope (FOG), optical coherence tomography (OCT), fibre optic test equipment performing chromatic and polarization mode

dispersion (CMD and PMD) measurements, optical channel monitors, sensors for strain measurement in civil engineering structures, as well as temperature and pressure sensors. The 830nm, 1300nm and 1550nm product lines are addressing specific and known customer requirements. Based on our superior product platform, our products offer exceptional output powers, optical bandwidth, and reliability at industry leading performance levels.

EXALOS envisions several additional product lines for future development intended to be strongly application oriented and offering higher functionality. The basic concept is to integrate functionality at the module level and to offer easy to apply products.

About **SANETRONIC Company Limited, China**

Sanetronic was established in 1988 and has been specialized in importation and distribution of Optical and RF/Microwave components and devices for years. Currently, the company has established offices in Hong Kong, Beijing, Chengde, Nanjing, Shanghai, Shenzhen, Wuhan and Xi'an. Sanetronic maintains a ramified infrastructure and a high calibre and professional sales team across China.

The company's management has long recognized with a clear vision of the prospects and growth of Mainland Chinese Mobile and Optical telecommunication, Wireless and Datacom industries. Being with the market long, it has fully understood the market trend and potential as well as its customers' needs there. It aims to provide the industries and its customers various kinds of technical support, technical solution and high performance/cost components with ultimate satisfaction.