



Microwave Photonics to Spin Out of BT as Part of NVP Brightstar Venture Partnership

Microwave Photonics to launch as a newly created independent corporation

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LONDON and MURRAY HILL, N.J. – Microwave Photonics, the developer of a new wireless access system poised to revolutionise enterprise wireless LAN (WiFi) and mobile cellular infrastructure, today announced that it plans to spin out of BT and begin operating as an independent company, as part of the newly launched technology venturing partnership, NVP Brightstar.

NVP Brightstar has been created by BT Brightstar, the corporate incubator created by BT's research and technology business, BTextact Technologies; Collier Capital, the UK-based global private equity investment manager; and New Venture Partners, the US-based venture capital firm.

Microwave Photonics entered BT Brightstar's corporate technology incubator in May 2002 and under the leadership of Maurizio Vecchione has been advancing its business plans, OEM and supplier partnerships, and product development. Maurizio Vecchione, chief executive officer of Microwave Photonics said, "The support of the new NVP Brightstar partnership illustrates investors' confidence in Microwave Photonics' business, value proposition, technology and management team. This is a significant milestone, and positions the new company well to begin execution of its business plan, launch its first generation products and begin commercial exploitation of its technology portfolio."

The business is backed by a comprehensive set of fundamental discoveries and intellectual properties in fibre optics, radio frequency (RF) and wireless systems' architectures. Microwave Photonics technology uniquely enables wireless systems to dynamically manage and allocate capacity, providing unique solutions to problems of quality of service, contention management and capacity sharing in wireless networks. This translates into improved manageability and dramatic savings in the total cost of ownership of wireless networks. Additionally, because the technology is optically based, it offers enhanced broadband, never before seen in wireless systems, as well as frequency and protocol independence across wireless LAN (802.11b, 802.11a, 802.11g, etc.) and cellular (GSM, CDMA2000, etc.) standards, among others, effectively "future proofing"

wireless deployments against evolutions of standards and spectra. This is expected to deliver one of the industry's lowest cost-per-square-foot for coverage wireless systems.

"With the growing importance and scale of wireless LANs in the enterprise and public markets, quality-of-service and capacity management have become critical issues. Microwave Photonics' centralized wireless access architecture delivers truly unique and disruptive solutions to these challenges," said Frank Rimalovski, a partner at New Venture Partners. "The market traction the company is seeing from leading OEMs in WLAN and cellular infrastructure is a strong testament to the future of this early-stage company. We are eager to work with Maurizio and his team to facilitate the spin-out from BT, and raise a syndicate of investors to further fund the company's growth plans."

Microwave Photonics is expected to be incorporated in spring 2003, and will be based in southern California, with operations in the UK. The company is expected to deliver products into the OEM marketplace for both enterprise wireless and cellular mobile infrastructure markets.

About New Venture Partners LLC

New Venture Partners collaborates closely with corporate and institutional laboratories to create independent new ventures. Its professionals take a hands-on approach to identifying, incubating, and forming companies based on advanced technology and underutilised existing company product lines.

The management team originally came together as the Lucent New Ventures Group, developing spinouts from Bell Labs. New Venture Partners, with a syndicate led by Collier Capital, acquired the former Bell Labs portfolio of 27 companies in December 2001, as the starting point for its independent operation as a venture capital firm. Its recent successes include Flarion, Watchmark, Intrado, Celiant (now part of Andrew Corp.), and Ibiquity Digital. For more information, see the web site www.nvpllc.com.

About NVP Brightstar

NVP Brightstar is the name identified with NV Partners IV LP, a Cayman Islands exempted limited partnership, in its venture activities. NVP Brightstar will be managed by NVPM LLC, a Delaware limited liability company within the New Venture Partners family of companies.

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