

Press Release

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PolyTechnos Funds and Sofinnova Partners co-lead EUR 10 million Series-B financing round in French Varioptic

Lyon, Monday, 29 March 2004 – PolyTechnos Venture-Partners (Munich, Germany) and Sofinnova Partners (Paris, France) announced today the Series-B funding of French Varioptic S.A. Located in Lyon, Varioptic develops and manufactures electrically controlled optical liquid lenses for the optical industry. The EUR 10 million round was co-led by PolyTechnos funds and Sofinnova Partners. Varioptic last year received a Series-A financing of EUR 2 million from Sofinnova Partners.

Headed by Etienne Paillard, who joined the company in December 2003 as CEO, Varioptic was founded in 2002 by President and CTO Dr. Bruno Berge, a former research scientist at the CNRS (French National Center for Scientific Research) and professor at Ecole Normale Supérieure de Lyon. The company's technology is based on extensive research conducted at the Université Joseph Fourier (Grenoble) and the Ecole Normale Supérieure de Lyon.

Varioptic were the first to hold international patents on a single-element focusing lens based on immiscible liquids. Conventional focus technologies are based on the principle of moving parts, i.e., of precisely shifting delicate glass elements. The Varioptic approach is to sandwich two liquids, one of them conductive, between transparent panes, attach contacts, and control the shape of the interface between the liquids through voltage, using electro-wetting principles. The production costs for the resulting single-element focusing lens "vLens" are considerably lower than those for comparable conventional lenses. In addition, vLens is significantly more durable, substantially faster in focusing, and needs less power than conventional lenses. Varioptic's outstanding technology enables manufacturers and module manufacturers to deliver a new generation of products including miniature auto-focus lenses and zooms, especially in camera-enabled cell phones.

Varioptic will use the funding for R&D to further develop its know-how and its innovative products for various applications, in order to maintain its technology leadership.

Bruno Berge commented, "We are very pleased to be backed by an investment syndicate of notable venture capital partners like PolyTechnos and Sofinnova Partners. PolyTechnos and Sofinnova Partners are uniquely qualified to support us in many kinds of aspects due to their extensive network and experience in the area of optical auto-focus and zoom lenses." Etienne Paillard added, "This is a key milestone for Varioptic. In times when investments in technology companies are done after a lot of consideration, the confidence expressed by PolyTechnos and Sofinnova Partners validates our strategy to deliver innovative products such as our smart optics. We will use the resources to further develop Varioptic globally."

Knut Heitmann, Founding Partner of PolyTechnos and former Managing Director R&D of Leitz (now Leica), Germany, has become a member of Varioptic's scientific advisory board. Having contributed many patented ideas in the field of electro-optics and especially auto-focus itself, he said, "Varioptic's technology opens the door to breakthrough innovations far beyond multimedia applications!"

Dirk Kanngiesser, founder and Managing Partner of PolyTechnos Venture-Partners, has joined Varioptic's Board of Directors. "We are looking forward to working with the excellent Varioptic team," he said. "Their clever solution for electrically controllable optical lenses combined with an outstanding management team and a high market demand makes Varioptic a company to keep an eye on."

Alain Rodermann, Partner of Sofinnova Partners added, "One of Varioptic's strongest assets is exceptionally high quality intellectual property. Sofinnova Partners is pleased to have supported the company since its beginning. Varioptic represents for us the ideal kind of investment in today's world of IT."

About Varioptic

Varioptic pioneers in designing and manufacturing electrically controlled optical liquid lenses for optical designers. In order to maintain its technology leadership, Varioptic heavily invests in R&D for the further development of innovative products for various applications. Founded in 2002, Varioptic is located in Lyon (France) and headed by Etienne Paillard, CEO. For more information, please visit www.variopic.com.

About PolyTechnos Venture-Partners

PolyTechnos Venture-Partners is an independent European venture capital firm focusing on early to expansion stage, technology and life science investments predominantly in German-speaking Europe. Areas of expertise comprise Information Technology & Communications, Industrial & Engineering, Energy, Drug Development, Diagnostics & MedTech, and the respective interfaces. PolyTechnos helps companies turn technology into business by providing support in areas such as strategy, business development, and organisation building. PolyTechnos, located in Munich, Germany, was founded in 1998 and currently advises funds totalling approximately EUR 200 million. For more information, please visit www.polytechnos.com.

About Sofinnova Partners

Founded in Paris in 1972, Sofinnova Partners is one of Europe's leading independent venture capital firms. With EUR 550 million under management, Sofinnova Partners invests in start-ups and early-stage companies in information technology and life sciences. Its investment strategy is based on two principles: Investing early in projects with a high potential; and acting as lead or co-lead investor. Sofinnova's investment team consists of 12 professionals, all recognized experts in their field, who bring valuable market insight and technical expertise to Sofinnova's portfolio companies. Since the firm is increasingly solicited for financing pan-European projects, half of Sofinnova's most recent fund, Sofinnova Capital IV, will be invested outside France. For more information, please visit www.sofinnova.fr.

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