



Varioptic Secures € 16.4 million (USD 20m) in Third Round of Financing

Lyon, 25 April 2006 – Varioptic (www.varioptic.com), the liquid lens company, announces today the successful closing of its 3rd round of financing of 16.4 million euros.

Sofinnova Partners and PolyTechnos Venture-Partners, current investors in the company, are now joined by Iris Capital, XAnge Private Equity, and Delphis.

"This is a key milestone for Varioptic", says Etienne Paillard, CEO of Varioptic. "The on-going trust and support from Sofinnova and PolyTechnos and the commitment of additional first class investors Iris Capital, XAnge Private Equity and Delphis are evidence of the strong industry support for our technology, our business-model and our organization. They validate our strategy to deliver the leading auto-focus solution for mass market devices such as camera phones, digital cameras, PDAs (Personal Digital Assistants) and numerous other optical applications."

Varioptic's strong progress in 2005 contributed to the investors' confidence:

- Full qualification to meet mobile phone industry requirements by a leading camera module manufacturer.
- Strong market interest from most camera module and DSC manufacturers with over 20 TAP (Technology Assessment Programs) sold and delivered.
- Demonstrated zoom using only liquid lenses and no moving parts.
- New semi-automated pilot production line up-and-running with excellent yields and low unit costs.

Paillard concluded: "We are about to see huge growth in demand for auto-focus and zoom solutions from the mobile phone and other markets. We will use these additional financial resources for the next phase of Varioptic's growth which will see wide adoption of liquid lenses as the preferred solution for these markets."

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.varioptic.com.

What investors say

Dirk Kanngiesser, PolyTechnos

"Varioptic is an excellent example of a European technology company gaining global market leadership. The new round of financing will enable Varioptic to further build its international market position and to be the recognized global leader in liquid lens applications. I am especially pleased with the complementarities of the additional investors joining the shareholder group."

Alain Rodermann, Sofinnova Partners

"Sofinnova recognized the potential of Varioptic's technology and invested as the first VC in 2002. Today, we are very pleased with Varioptic's developments and its disruptive technology. This round of financing will enable the company to support its customers and partners in mass manufacturing."

Curt Gunsenheimer, Iris Capital

"The upturn in the mobile phone industry is very positive and we clearly see strong worldwide growth for Varioptic's technology. Iris Capital is always looking for highly strategic investments, and we are convinced that Varioptic is strategically positioned in the mobile device supply chain to add real value to its customers."

Francois Cavalie, XAnge Private Equity

"We believe that Varioptic's technology can become a major component of the evolution of multimedia mobile phones. In addition, the company has proven its ability to capture new business and deliver high quality products on a global scale. Along with the quality of the management team, all these elements have convinced us to invest in Varioptic."

Marc Fourrier, Delphis

"We have been impressed by the quality of Varioptic's technology and by the company's underlying R&D expertise. Our approach is to actively support leading entrepreneurs in their projects and we are fully convinced that Varioptic's management team will make the most out of the company's leading technologies and market positions. With its high potential for growth and innovation, Varioptic is very well placed to further develop a global leadership in the optical landscape."