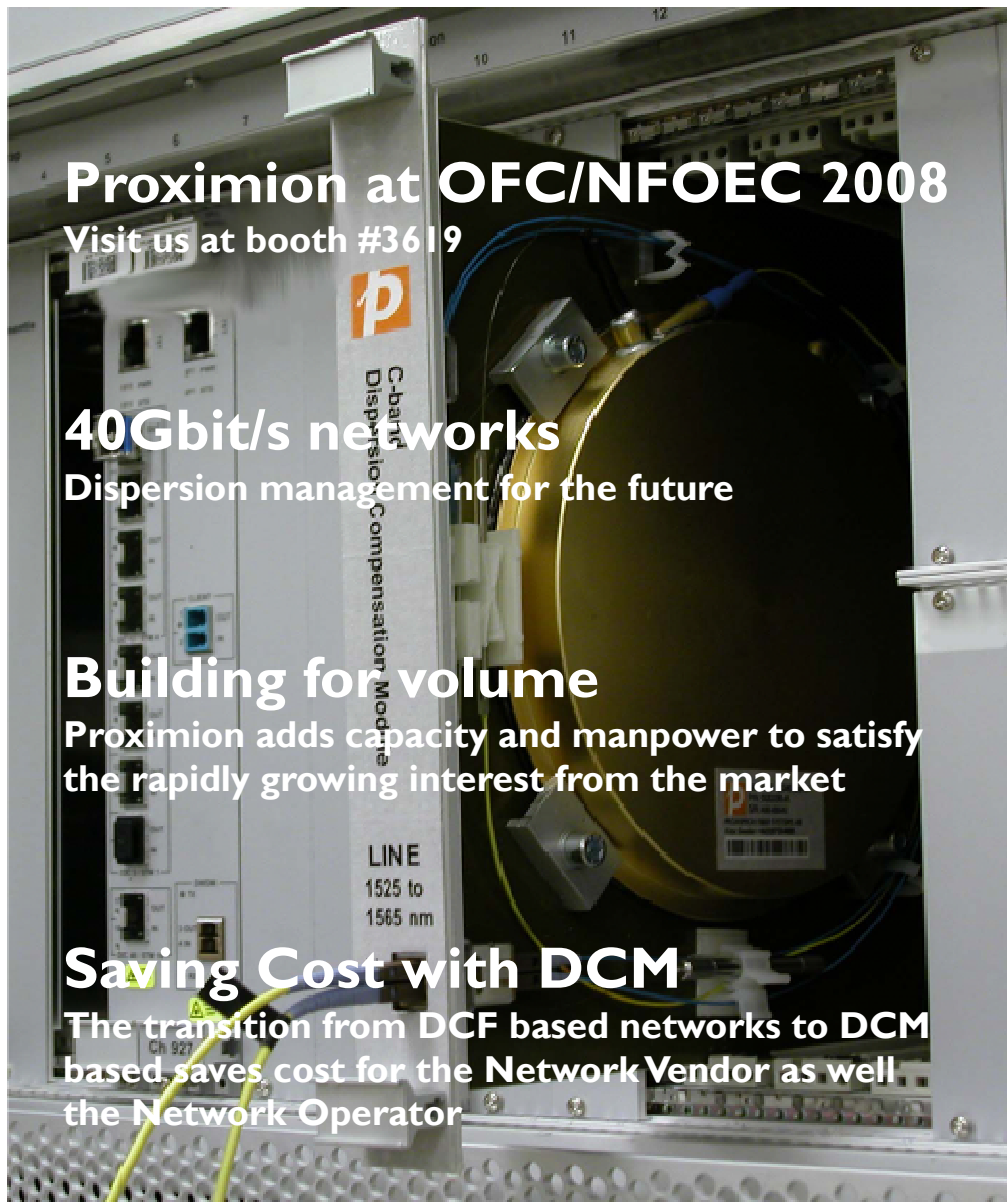




PROXIMION

Newsletter



Proximion at OFC/NFOEC 2008

Visit us at booth #3619

40Gbit/s networks

Dispersion management for the future

Building for volume

Proximion adds capacity and manpower to satisfy the rapidly growing interest from the market

Saving Cost with DCM

The transition from DCF based networks to DCM based saves cost for the Network Vendor as well the Network Operator

PROXIMION



2008 - the year of volume

2007 for Proximon was in many aspects the year for customer qualifications and product development. But it was also a year for volume preparations. During the last fall Proximon captured the ISO 9000 certificate while investing in production capacity and strengthening the staff to be capable of 24/7 production. Proximon are now ready for taking the step towards volume shipments. During 2007 we qualified top tier customers that are currently in volume deployment of our products.

State-of-the-art production

The core technology at Proximon is the ability to manufacture virtually any type of Fiber Bragg Gratings (FBG). In an automated production environment we can produce short FBGs for channelized DCMs or ultra-long FBGs for continuous band DCMs with any flavor of chirp, phase shift, apodization and tilt.

Production ramp-up

During 2007 Proximon invested in four new production lines to the previous two lines. The new fleet is now starting to pay off with and with planned investments during 2008 we target an annual capacity at the end of this year of 11000 DCM-CB units and 15000 channelized DCM-ITU units.

In parallel to the capacity build-up we are continuing our efforts within quality and target to capture the ISO14001 certificate during 2008.

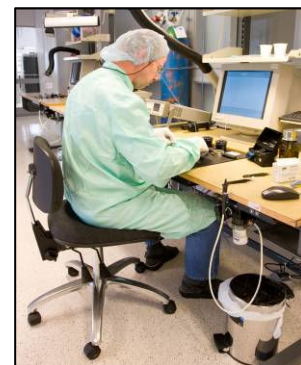
Looking forward

Rest assured that we at Proximon will continue the work to further strengthen our capacity, quality and product offerings to serve the needs in the Dispersion management market.

With the ambition to be **“The one-stop-shop for dispersion compensation”** Proximon will continue to develop new exciting products. Before the end of 2008 we will offer fixed and tunable, continuous and channelized mapping the ITU grid as well as single channel DCM's in our product portfolio.



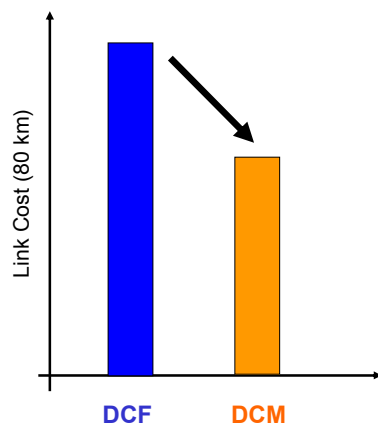
Stefan Ekman
CEO & Founder



Manufacturing at Proximon

Saving cost with DCM

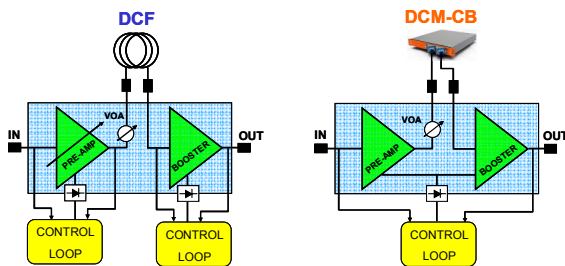
Considering the ever increasing need to manage cost, both for the Network Vendors as well as for the Network Operators, Proximion has taken the liberty to compare various cost scenarios for DCM and DCF. With an optimized choice of amplification and dispersion compensation it is possible to save up to 35%.



Network architecture

A common hut distance is 80 km with either distributed dispersion compensation or cascaded dispersion compensation at the beginning of the net.

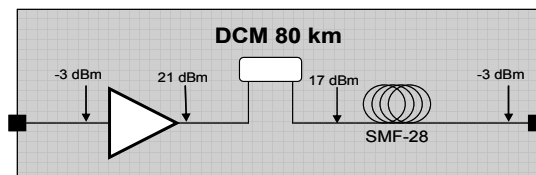
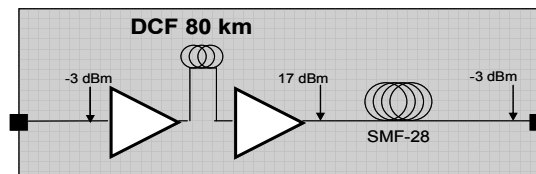
For distributed networks based on mid-stage amplifiers, the use of DCM may save as much as 35% of the amplification cost.



The significantly lower insertion loss and the non-existent latency of the DCM are the keys. This enables simplification of the mid-stage amplifier to

exclude one of the control loops as well as one of the amplifier pumps needed in the DCF solution.

Another possible solution for the network design is to utilize the DCM to completely eliminate the need for a mid-stage amplifier yielding a possible cost reduction of approximately 30%.



Network design freedom

The examples above clearly show the advantage of dispersion compensation with ultra low loss and negligible latency. The Network vendor may tailor systems for optimum performance at lowest possible cost while offering the Operator significant reduction of CAPEX as well as OPEX.

Please also drop by at our both during the OFC/NFOEC for further discussion.



Proximion at OFC/NFOEC



This year's event will be held in beautiful San Diego. In our booth #3619 we will have exciting products on display as well as Proximion staff eager to discuss the true benefits of our Fiber Bragg Grating based products.

Products on display:

- DCM-CB: Continuous band dispersion compensation module based on the world's longest fiber bragg gratings.
- DCM-ITU: The channelized dispersion module is our latest product release targeting low cost and compact form factor.
- WISTOM: The worlds fastest Optical Layer Monitor. Non-intrusive, real-time monitoring of power, wavelength and OSNR for up to 1024

World-class DCM Tailored for 40 Gbps systems

Proximion is demonstrating a new 40 Gbps DCM-ITU solution for ultra-low loss, compact and most cost-effective Dispersion Compensation Management at the upcoming OFC in San Diego. Proximion DCM-ITU is further developed to not only take 10 Gbps signals but also all commonly used 40 Gbps formats over the entire C-band.

We have seen a need to further enhance our DCM-ITU to also support band width consuming formats as e.g. DPSK at 40 Gbps. The technology allows 42 GHz band width still enabling 100 GHz channel spacing.

This product complements the DCM-CB which continuously supports the whole C-band enabling any formats and any channel plan. Both product families have the advantages of having no non-linear effects,

no latency and having a very low loss compared to traditional DCFs.

The DCM-ITU is perfect for those customers that don't need 50 GHz channel spacing but still want to run 10 and 40 Gbps systems in a cost effective way. The importance of dispersion management is increasing on all parts of the networks. We are today an established supplier to a number of systems vendors for applications up to 40 Gbps.



Bengt Johansson
CTO



New faces at Proximon

Apart from the pure capacity increase in manufacturing, Proximon is strengthening the organization by adding more resources in sales, production, product management and development to meet the rapidly increasing interest in our products.



Bengt Johansson, CTO



Stefan Olsson, Regional Sales Manager



Anders Lundberg, COO



Tobias Persson, Regional Sales Manager



Adel Asseh, Technical Sales



Fredrik Sjöström, Technical Sales



Charlotta Ohlsson, Indoor Sales

**John Buie, Director of Business Development,
North America**