

Press Release PW

Intense and CST have announced that the two companies have completed a deal to consolidate their business operations in the UK. CST has acquired the UK fabrication assets of Intense Ltd. in Hamilton, Scotland. As part of the deal Intense has taken a minority stake in the enlarged CST business and will complete the process of consolidating all of its product development and manufacturing activities into its NJ USA facility in the first half of 2010.

The deal allows CST to consolidate its production activities into a world class facility in Hamilton, Scotland and also to extend its existing contract chip manufacturing and supply relationship with Intense. CST has signed a three year supply agreement for supply of chips to existing and new Intense customers and product lines.

Intense will gain substantial scale economies at its profitable US facility and will focus its resources on driving up the supply chain into increasingly high performance laser modules and systems for the Defence, Medical, Print and Industrial markets.

CST CEO Neil Martin commented

‘ This deal builds on the increasingly attractive economics of the foundry business model in the optoelectronics sector. It also affirms CST’s long held belief in the “pure-play” foundry. We are seeing solid growth in established markets such as FTTH and Defence which has supported our expansion in the current recessionary period.

CST’s Increase in design and production capacity following the deal with Intense will support further expected growth in our core markets and allow CST to develop new foundry offerings for emerging technologies driven by ‘cleantech ‘ applications in sensing, energy and medical markets. CST are investing heavily now to be ready to take advantages of new opportunities that will certainly emerge through the global economic recovery.’

Intense CEO Berthold Schmidt commented

“CST is a strong and established partner in chip development and supply and will support Intense’s long term growth plans. Intense has of course retained ownership of its renowned QWI laser technology and will focus on its expansion into more of our product lines working in close partnership with CST.

The deal with CST also allows Intense to consolidate its product line development and manufacturing activities into one world class site in New Jersey, USA. This will drive considerable scale economies and further enhance our US margins and profitability. We expect to complete the consolidation of the UK product lines in close cooperation with our valuable customers during the first half of 2010’.