

October 13, 2011

Second investment for



Eurazeo continues to participate in the development of high potential French small and medium enterprises (SME's)

- With a second investment in 3S Photonics
- Following an initial investment in Fonroche Energie in April 2010 of €25m and a reinvestment in June 2011 of €10m

Eurazeo Croissance is part of Eurazeo's strategy in the midcap segment

- Eurazeo Croissance is dedicated to growth capital initiatives
- Eurazeo PME (ex- OFI Private Equity) focuses on small and midcaps LBOs on more mature companies

Eurazeo provides its expertise in supporting SME management teams in the deployment of industrial projects

- In particular with regard to the financing and project management, whether through acquisitions or by internal growth
- Acting as a majority or minority shareholder

Investment in 3S Photonics Group, a leading provider of innovative optical products and solutions



3S Photonics Group combines leading-edge optoelectronic & fiber-based technologies and environmental knowledge

- Alcatel Optronics was founded in 1994. In 2003, Alcatel sold Alcatel Optronics to Avanex, a Californian company, and was renamed Avanex France SA. In April 2007, the company was acquired from Avanex by Alexandre Krivine
- The current 3S Photonics Group was created in February 2010 after the acquisition by 3S Photonics of Avensys, including both Avensys Tech and Avensys Solutions divisions, and its participation in ITF Labs
- The group designs, manufactures, and markets high reliability active & passive optical components and modules for the telecom, sensing & laser markets and provides instrumentation and integrated solutions for process and environmental monitoring systems through its Avensys Solutions division

Investment of €37m in equity in 3S Photonics Group

- Acquisition of a majority stake for €27m, followed by a capital increase of €10m to support the company's development. After capital increase, Eurazeo will own almost 83% of the capital
- The management (in particular its CEO Alexandre Krivine) will keep the residual 17% of the capital

Eurazeo's support will enable 3S Photonics Group to benefit from the strong market demand and speed up its organic and external growth. Its support will notably include future reinvestments

3S Photonics Group fact sheet

- €51m sales in 2011 (+19% vs. 2010)
- 2 production sites: Nozay (France), Montreal (Canada)
- 8 sales offices
- c. 400 employees

The transaction values the 3S Photonics Group

- At an Enterprise Value of €46m
- 12x LTM EBIT¹

Governance

- Mr. Alexandre Krivine to remain CEO of the Group
- 5 Board members: 3 appointed by Eurazeo and 2 independent

Closing of the transaction anticipated before end of 2011

A niche player in the high-end optoelectronic & fiber-based components market

3S Photonics Group business overview

- 3S Photonics Group designs high-end optical and optoelectronic components:
 - transmission laser modules,
 - pumps laser modules,
 - optical gratings,
 - dispersion compensation modules, etc.

➔ for undersea (historical core business) and terrestrial **telecom** applications

➔ for high power **industrial** lasers and sensors



Butterfly module



High power pump combiner



TOSA module



980nm pumps laser module

3S Photonics Group key strengths

- Dominant market share in the undersea telecom market (historical core business)
- High-end positioning
- Proven technological and engineering expertise
- Recognized industrial know-how

3S Photonics Group key figures

€ million	June 2009 ¹	June 2010 ¹	June 2011
Revenue	42.8	43.0	51.0
<i>% Growth</i>		0.5%	18.6%
EBIT	0.8	2.3	3.8
<i>% Margin</i>	1.8%	5.3%	7.4%

Strong potential for entering new dynamic markets

	Photonics landscape: applications and main trends	Market Size (2010)
Energy	Photovoltaic	n.d.
Displays	LCD, dominated by Asia New promising OLED technology	\$100Bn
Lighting	LED lighting, dominated by Asia New OLED technology	\$6Bn
Telecom	Undersea, terrestrial, 100Gbits emerging, transmission market Optical Amplification: strong demand	\$20Bn
Industrial	Laser cutting, welding, marking and material processing Shift towards fiber laser technology	\$10Bn
Medical	Fiber lasers start to enter the market for ophtamlogy and skin treatment Non invasive optical sensors	\$20Bn
Sensors	Fiber Bragg based mechanical sensors for civil engineering monitoring	\$30Bn
Defense & Safety	Fiber laser for designators, riange finder and potentially for medium distance attack	\$20Bn
Imaging	Infrared cameras for Defense and Safety Fiber laser	\$30Bn

3S Photonics Group positioning

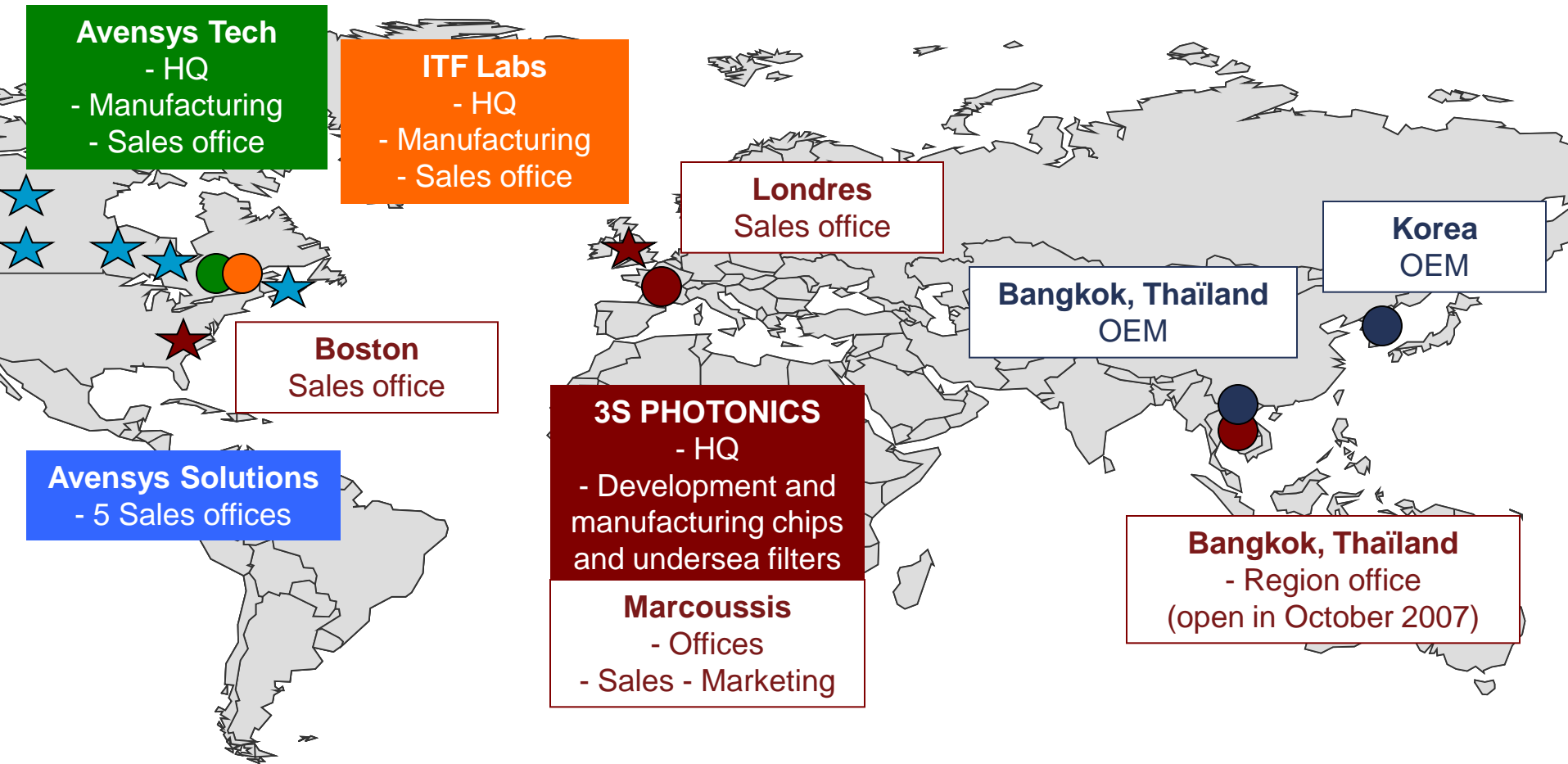
Non accessible
Mass market
Low prices, high volume

Current Core business
Potential for breakthrough

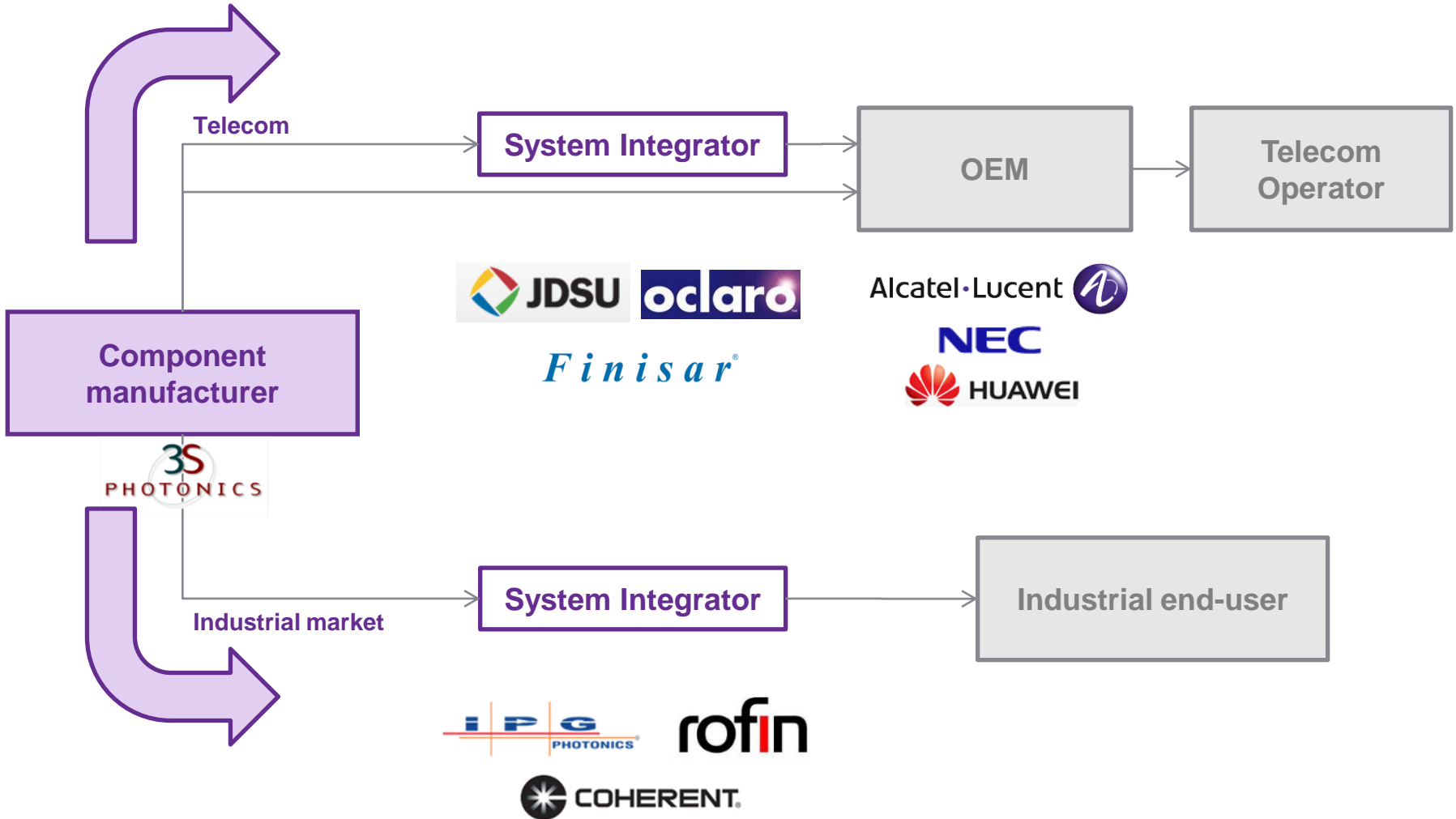


Targeted areas for diversification

International footprint of 3S Photonics



Value chain



- 1 Further leverage current synergies within the group**
- 2 Increase sales and marketing efforts to support management ambition, especially in terrestrial telecom and fiber laser activities**
- 3 Pursue R&D initiatives to enlarge product offering**
 - Moving up the value chain from component to system for some targeted applications
- 4 Pursue selected complementary acquisitions to improve technology and open new markets**

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Eurazeo shares

- **ISIN code:** FR0000121121
- **Bloomberg/Reuters:** RF FP, Eura.pa
- **Indices:** SBF120, DJ EURO STOXX, DJ STOXX EUROPE 600, MSCI, NEXT 150, LPX Europe, CAC MID&SMALL, CAC FINANCIALS
- **63,141,655** shares in circulation
- Statutory threshold declarations **1%**

Research on Eurazeo

- **Alpha Value** *Catherine Radiguer*
- **Cheuvreux** *Amandine Latour*
- **Deutsche Bank** *David Cerdan*
- **Exane BNP-Paribas** *Charles-Henri de Mortemart*
- **Goldman Sachs** *Markus Iwar*
- **HSBC** *Pierre Bosset*
- **JP Morgan Cazenove** *Christopher Brown*
- **Kepler** *Pierre Boucheny*
- **Oddo** *Quentin Philippe*
- **SG** *Patrick Jousseau*
- **UBS** *Denis Moreau*