

GigOptix and CIVCOM Receive BIRD Foundation Grant to Develop Highly Integrated 40Gb/s Optical Telecommunication Transponder

PALO ALTO, Calif., Dec 23, 2010 (BUSINESS WIRE) --

<u>GigOptix, Inc.</u> (OTCBB:GGOX), a leading supplier of high performance electronic and electro-optic components that enable next generation 40G and 100G optical networks, and CIVCOM Devices and Systems LTD (CIVCOM), announced today that they were awarded a US-Israel <u>Bi-national Industrial Research & Development (BIRD)</u> <u>Foundation grant</u> to develop low power, highly integrated components and modules for next generation 40Gb/s and 100Gb/s communication systems.

The grant will initially help fund the development of a Small Form Factor (SFF) 40Gb/s RZ-DQPSK transponder. GigOptix will develop an integrated 40Gb/s RZ-DQPSK optical modulator and the corresponding broadband amplifiers to drive the modulator while CIVCOM will develop and manufacture the 40Gb/s RZ-DQPSK SFF transponder.

"The BIRD Foundation acts to encourage collaboration between Israeli and American companies in various fields of technology," said Eitan Yudilevich, Ph.D., executive director of the BIRD Foundation. "Consumers' use of Smartphones and the advent of cloud computing are requiring network operators to upgrade to faster 40Gb/s infrastructure to keep pace with increasing bandwidth demand. GigOptix and CIVCOM are combining outstanding U.S. and Israeli human resources and technologies to develop an industry leading telecommunications solution to address these demanding network operator requirements."

Under the grant, GigOptix will leverage its Thin Film Polymer on Silicon (TFPS(TM)) technology to implement an integrated 40Gb/s RZ-DQPSK optical modulator in a single package. Currently 40Gb/s RZ-DQPSK optical modulation is implemented using two separate Lithium Niobate modulators, the first implements RZ modulation and the second DQPSK modulation. The integrated GigOptix solution will be significantly smaller to the discrete approach with the integrated GigOptix solution being smaller than one of the competing Lithium Niobate modulators. Furthermore, GigOptix broadband RF driver and optical modulator teams will optimize the interoperability between the modulator and the driver to enable further reduction in power consumption and overall footprint of the electro-optic transmission system. This size and power reduction will enable CIVCOM to shrink the size of its 40G RZ-DQPSK transponder to the size of current 10G transponders.

Gabby Shpirer, CEO of CIVCOM, stated, "CIVCOM is excited to work with GigOptix to develop this highly integrated 40Gb/s RZ-DQPSK optical telecommunications transponder. We are honored that the BIRD Foundation understands the benefits that our solution coupled with GigOptix's TFPS technology will provide the market."

"The BIRD Foundation has helped many technological collaborations come to fruition between U.S. and Israeli companies and we are looking forward to collaborating with CIVCOM under this generous BIRD Foundation grant," stated Dr. Avi Katz, GigOptix's Chairman of the Board, CEO and President. "We anticipate that close cooperation with CIVCOM, an optical transponder pioneer, on this innovative 40Gb/s transponder will significantly help in improving our TFPS technology and accelerate the time to market of our innovative solutions."

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About GigOptix

GigOptix is a leading supplier of high performance electronic and electro-optic components that enable next generation 40G and 100G fiber-optic telecommunications and data-communications networks. The Company offers a broad portfolio of high speed electronic devices including polymer electro-optic modulators, modulator drivers, laser drivers and receiver amplifiers for telecom, datacom, Infiniband and consumer optical systems, covering serial and parallel communication technologies from 1G to 100G. GigOptix also offers the widest range of mixed-signal and RF ASIC solutions in the market including Standard Cell, Hybrid and Structured ASICs targeting the Consumer, Industrial, Defense & Avionics industries.

About CIVCOM Devices and Systems LTD

CIVCOM is a pioneer in the development and manufacturing of cost-saving dynamic opto-electronic components and modules, specializing in the field of 10Gbps and 40Gbps Telecom applications. Civcom leads the way in the field of dispersion tolerance transmission providing solutions for some of the most progressive tunable transponders. Civcom was acquired by Padtec of Brazil in February 2008, the company's HQ including manufacturing and R&D is located in Israel with sales offices in Israel and the US. For more information, please visit <u>www.civcom.com</u>.

About the BIRD Foundation

The BIRD Foundation works to encourage cooperation between Israeli and American companies in the various areas of technology, and provides free assistance in locating strategic partners from both countries for developing joint projects. The BIRD Foundation works in full cooperation with the Chief Scientist's Office at the Ministry of Trade, Industry and Employment in Israel, and with the U.S. Commerce Department's National Institute of Standards and Technology (NIST). For more information please visit <u>www.birdf.com</u>.

Forward Looking Statements

Statements made in this release, other than statements of historical fact, are forward-looking statements, including any statement that refers to expectations, projections or other characterizations of future events or circumstances and those which can be identified by the use of forward-looking terminology such as "expects," "plans," "may," "should," "believes" or "anticipates" and other similar expressions. Forward-looking statements are subject to a number of known and unknown risks, which might cause actual results to differ materially from those expressed or implied by such statements. These risks and uncertainties include those risks described in GigOptix's periodic reports filed with the SEC, and in news releases and other communications. GigOptix disclaims any intention or duty to update any forward-looking statements made in this release.

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