

## News

# Finisar buys Red-C Optical Networks for \$43m

**Red-C has 140 employees in Israel, and will continue to operate as a Finisar subsidiary.**

3 July 12 16:39, Shmulik Shelach

Finisar Corporation (Nasdaq: FNSR) has acquired [Red-C Optical Networks Ltd.](#) for \$43 million in cash and shares: \$23.7 million in cash and up to \$20 million in cash or Finisar shares to Red-C shareholders and employees, based on milestones over the next 18 months. Finisar's market cap is \$1.3 billion.

Red-C has 140 employees in Israel, and will continue to operate as a Finisar subsidiary. Red-C president and CEO Yossi Boker founded the company in 2000 as a spin-off of [Elbit Systems Ltd.](#) (Nasdaq: [ESLT](#); TASE: [ESLT](#)) unit Elop Electro-Optics Industries Ltd. The company received \$10 million in initial financing from optical communications developer [MRV Communications Inc.](#) (Nasdaq: [MRVC](#)). [Cedar Fund](#) acquired the company in 2006 and is its largest shareholder. Red-C has \$3.2 million in cash and no debts.

Finisar said that the acquisition would broaden its product lines primarily for telecom applications by adding key amplification technologies, including Erbium Doped Fiber Amplification (EDFA), Raman amplification, and dynamic Hybrid amplification. These technologies are considered critical for ROADM line cards and are increasingly important in cost-effectively extending the reach of transceivers and transponders especially for 100 Gbps and 40 Gbps coherent transmission, ultra-long repeaterless links, and low latency networks.

Finisar CEO Eitan Gertel said, "RED-C has been an innovator in optical amplification, which we view as an increasingly critical technology as networks get faster and more complex. As we have further penetrated the line card market with our differentiated WSS technology, we see this acquisition as a tremendous opportunity to further innovate for our customers and advance our vertical integration strategy."

The acquisition of Red-C is Finistar's second presence in Israel. In 2008, it acquired US company Optium, which had acquired Israel's Kailight Photonics for \$40 million a year earlier.