News Release

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H2O INVESTS IN ASTELICS

H2O are collaborating with Aston University, Birmingham, in the spinout of a company from the Photonics Research Group (PRG) within the School of Engineering. Photonics is the manipulation of light energy for fibre-optic telecommunications systems and measurement sensors . The PRG is one of the largest photonics groups in the UK, and is rapidly gaining worldwide recognition. It was recently awarded three European grants, totalling over 1 million euros, and has won numerous awards.

H2O has joined with the PRG to spin out the new company, named Astelics Ltd, which is developing technology for optical communications networks. The new generation of optical –fibre networks suffers from the drawback of signal distortion – the further the signal travels from its point of origin, the lower the quality, resulting in the signal having to be 'cleaned up' every 50-100 kilometres. The Astelics technology corrects for this signal distortion, allowing a reduction in the number and size of installed components and a corresponding reduction in the costs of installation and reconfiguration.

In the new agreement, H2O will take a third of the equity in the new company. Astelics will benefit from the experience that H2O has gained in taking early-stage technology to the marketplace. The commercial skills of H2O will be used to identify how the technology fits into the present market and how to meet the future needs of the industry.

David Auty, Senior Investment Manager at H2O, is the project manager for Astelics. He said: "We believe the Astelics has the potential to be at the forefront of the next generation of fibre-optics. The H2O business model has been proven with a number of spinouts, and we anticipate that it will bring real benefits for Astelics."

Currently, the university is running tests of the technology to compare it with existing products and identify particular aspects of the Astelics technology that might give it an edge in a competitive market. Development work is also ongoing, and the company anticipates that products will be in testing by the end of the year.

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