

Dear Crystal Fibre customer



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Crystal Fibre takes over the assets of BlazePhotonics

Crystal Fibre A/S has today entered an agreement with BlazePhotonics in the UK to acquire the company's assets. For your information we enclose our stock exchange release concerning the acquisition.

The acquisition is in line with Crystal Fibre's strategy of being the leading supplier of photonic crystal fibers. As Crystal Fibre's CEO Michael Kjaer comments:

Crystal Fibre is committed to this business and the acquisition cements our position as the leader in the field and we will by this be able to serve you even better in the future.

The impact this will have for you as our customer is that we will be able to offer better products, especially within the photonic bandgap fibers (hollow core / air guiding fibers). In addition to selling Crystal Fibre's products we will also be selling BlazePhotonics products.

The acquisition will not change our focus on product segments other than the photonic bandgap fibers, and we will continue our development and efforts on improving these fibers.

Crystal Fibre is supplying fibers within the following categories:

*** High NA fibers / cladding pumped fibers**

This group of fibers presents multimode fibers with extreme numerical aperture values, which are made possible by the fact that we have air (refractive index one) in our fiber structure. NA values above 0.9 have been realized. These fibers will collect light very efficiently from a broad space angle just like they also emit light in a very broad cone. Whereas they in passive version can have a high NA in conjunction with a large core, they can in combination with a rare earth doped core provide a very efficient cladding pumped fiber that can be pumped by inexpensive broad area emitting pump thus making a very effective fiber lasers and fiber amplifiers.

Combined with rare earth dopants, photonic crystal fiber technology offers the following advantages in an amplifier or laser configuration, compared to conventional rare-earth double clad fibers:

- Air clad around inner cladding resulting in a high NA of the cladding: easier and more efficient pumping
- High absorption / shorter fiber length needed pr amplifier / laser
- Larger core sizes while remaining single mode
- No polymer cladding allowing higher power levels
- Good beam quality

*** Airguiding fibers / Photonic Bandgap fibers**

These fibers guide light in a hollow core surrounded by a silica cladding. As the photonic bandgap guiding mechanism differs from the traditional total internal reflection guiding principle, these new fibers allow high power delivery with reduced nonlinear effects and material damage. Outside the guiding bandgaps, the fibers are anti-guiding

Typical applications are high power delivery, short pulse delivery, pulse compression and particle guidance / acceleration. The fibers can also be filled with liquids or gasses.

*** Highly nonlinear fibers**

These are fibers where the combination of a small mode field area, extremely confinement of light and zero dispersion wavelength at the pump wavelength of interest - even in visible wavelength range, provides the basis for extremely efficient spectrum broadening for numerous applications.

Other applications are telecom signal processing such as signal regeneration, wavelength conversion and Raman amplification.

*** Large mode area fibers**

The LMA fibers are fibers that are single mode over very wide wavelength ranges from UV up to telecom wavelengths (often referred to as endlessly single mode) and have mode field areas that are several times larger than what has been obtained in standard fiber technology. These Large Mode Area fibers are available also as PM versions.

Typical applications are: single-mode high power delivery, short pulse delivery, mode filtering, multi-wavelength transmission.

Further information:

In case further information is required, please contact Crystal Fibre

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Yours faithfully,





The Copenhagen Stock Exchange
Nikolaj Plads 6
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2 August, 2004

Release no. 20

NKT expands its crystal fibre business through acquisition

An agreement has today been signed for NKT's subsidiary Crystal Fibre A/S to acquire the assets of the UK company BlazePhotonics for the sum of 3.3 mUSD (20 mDKK).

Crystal Fibre, established in 2000, and BlazePhotonics, established in 2001, have been the leading players in the development and manufacture of microstructured optical fibres (crystal fibres). The technical results achieved in recent years have documented the existence of a number of commercial applications for these fibres.

The purpose of the acquisition of BlazePhotonics is to establish Crystal Fibre as by far the leading supplier of crystal fibre products.

Strengthened business platform

The assets of BlazePhotonics will be transferred to Denmark in August 2004. Crystal Fibre will thereby receive access to technical competences and patents that to a large extent complement those which Crystal Fibre already possesses. A strong platform will thus be created for our continued development of the company – both technologically and commercially.

Effect on earnings

NKT's earnings forecast for the current year is unchanged by the acquisition of the assets of BlazePhotonics.

Crystal Fibre

Crystal Fibre was established in 2000 as a joint venture with COM Centret and its research staff at the Technical University of Denmark.

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In 2001, Crystal Fibre relocated from its facilities at the Technical University of Denmark to Blokken 84, Birkerød, north of Copenhagen, where NKT has concentrated its optical communication activities. At Birkerød, Crystal Fibre presides over a development laboratory and cleanroom facilities for the manufacture of its technically sophisticated products.

Crystal Fibre has a staff of 20 and works closely together with the Technical University of Denmark, The University of Aarhus, Denmark, the universities of Chalmers in Sweden, Jena and Ulm in Germany, and Imperial College London.

Crystal fibres can be designed in a wide range of variants, and all indications point to potential applications in industry, the telecom sector, research and defence. For example, the products are in growing demand for use as core components in high power fibre lasers, where they offer superior characteristics and improved efficiency compared to existing lasers used for welding in the car industry, for cutting steel components, for marking, and for many other purposes.

BlazePhotonics

BlazePhotonics was established in 2001 to examine the possibilities for commercial application of the crystal fibre technology invented by Professor Philip Russell and his research team back in the early 1990s. Parallel with his position as professor at the University of Bath, Philip Russell was also the CTO of BlazePhotonics.

BlazePhotonics, which has employed 14 people, is owned by several professional investors, the University of Bath, and the original researchers behind the company's technology.

BlazePhotonics has principally focused on developing "hollow core" (air guiding) crystal fibres and has demonstrated transmission loss as low as 1.72 dB/km. This is a world record, and also a level at which industrial applications that demand very high optical power transmission become very attractive.



Like Crystal Fibre, BlazePhotonics has developed an extensive range of crystal fibre products that are supplied to the global market.

Further information and questions

Further particulars about the two companies can be found at www.crystal-fibre.com and www.blazephotonics.com. Please address any questions concerning the above information to the signer or to Søren Isaksen, CTO, at +45 43 48 20 00.

Yours faithfully

NKT Holding A/S

Tom Knutzen

President and CEO