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INNOVATION WORKS AWARDS SABEUS, INC. AN INNOVATION ADOPTION GRANT TO GROW FIBER OPTICS COMPANY

Freeport, PA - Innovation Works and Sabeus, Inc. today announced an Innovation Adoption Grant awarded to the company to facilitate its growth. Senator Donald White; Representative Jeffrey Pyle; Michael Hochmeister, VP Operations, Sabeus, Inc.; Dr. Kevin Chen, University of Pittsburgh Paul E. Lego Fellow; and Richard Lunak, President & CEO of Innovation Works, gathered with other business and civic leaders for the announcement.

Sabeus, Inc. produces precision fiber optic sensing systems for telecommunications, oil and gas exploration, defense applications and other uses where sensing technology must withstand harsh or rugged conditions. The company is headquartered in Calabasas, CA with a major manufacturing facility in Freeport, PA (27 miles north of Pittsburgh). The \$46,500 Innovation Adoption Grant from Innovation Works will assist the company's ongoing work with the University of Pittsburgh's Swanson Center for Product Innovation to improve Sabeus' manufacturing process. In addition to greater automation, the improved processes will help Sabeus increase the speed and output capacity of their manufacturing operations while increasing the reliability of the products produced.

"The telecom industry is rebounding," said Michael Hochmeister, VP of Operations (East) for Sabeus, "and Sabeus is poised to capitalize on that market potential and other high growth opportunities in deep water and well exploration and the growing defense needs for sensor technologies. To be competitive and a leader in our industry, we need to bring down the cost of manufacturing. The process improvements we're working on with Pitt's Swanson Center will help us do that. We expect a 20 percent increase in our productivity as a result." The company projects an increase in technical employees and skilled labor at the Freeport facility as a result of expanded market share and improved manufacturing efficiencies. "We fully expect to grow the manufacturing operation in Freeport dramatically over the next three years and the relationship with the University of Pittsburgh gives us access to a talent pool we didn't have before," continued Hochmeister.

About 20 Innovation Adoption Grants have been awarded by Innovation Works to regional manufacturers to help them develop and use technology to overcome obstacles to growth and global competitiveness. The Sabeus grant is one of the first to be awarded to an Armstrong County company. Innovation Adoption Grants help companies work with the region's technical centers of excellence, such as the renowned Swanson Center, to work in collaboration with their highly specialized science and engineering faculty to develop new products and/or maximize production operations. Each project is also an opportunity for students to gain real-world experience in the needs of industry and exposure to the high caliber of technology jobs in the region.

"The Sabeus project with the Swanson Center is a perfect example of how Innovation Works helps bring business and academia together to catalyze innovation for our region's manufacturers," said Richard Lunak, President & CEO of Innovation Works. "The result is increased productivity, competitiveness, and ultimately job growth for one of our region's promising technology companies," Lunak said. Innovation Works is the Ben Franklin Technology Partner (BFTP) of Southwestern Pennsylvania. BFTP is a network of four centers that work to accelerate the state's economy by providing

expertise and capital to emerging technology companies and innovative manufacturers in high-growth industries. Innovation Works has invested nearly \$30 million dollars in the region's high-potential technology companies over the past seven years.

Sabeus, Inc. moved their manufacturing operations to the Northpointe Technology Center in 2005 as a result of intense efforts by the community and particularly Congressman John Murtha to build an electro optics industry cluster here. "This is a tribute to the progress Sabeus, Inc. has made in creating and building an electro-optics industry in Western Pennsylvania," said Congressman John Murtha. "I congratulate Sabeus for receiving an Innovation Works Innovation Adoption Grant (IAG) to improve their sensor technologies. This high-tech company continues to attract talented leaders and strengthen our local manufacturing economy. With this IAG, Sabeus will be able to compete more effectively and continue to develop new technologies that can benefit the nation's troops and create and retain well-paying jobs for local residents."