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**Enablence Technologies Inc.**

TSX VENTURE: [ENA](#)



**Nov 04, 2008 09:21 ET**

### **[Pannaway Technologies to Merge with Enablence's FTTx Networks Division](#)**

OTTAWA, ONTARIO--(Marketwire - Nov. 4, 2008) - (TSX VENTURE:ENA) Enablence Technologies Inc. ("Enablence") a publicly traded company headquartered in Ottawa, Ontario, Canada and leading supplier of fiber-to-the-premises (FTTP) equipment for triple-play residential and business services, today announced it has signed a definitive agreement ("Agreement") to acquire Pannaway Technologies Incorporated ("Pannaway") and to merge it with Enablence's FTTx Networks Division, subject to certain approvals including TSX Venture Exchange approval, consents and conditions. Under the terms of the Agreement, Enablence will issue:

- 25,750,000 common shares in exchange for all the outstanding shares of Pannaway which includes 5,500,000 common shares to be issued on the conversion of certain outstanding Pannaway debt, which will represent approximately 12% of the total issued shares of Enablence after the transaction closes; and
- a US\$3 million unsecured 10 year note bearing 5% interest and convertible for five years. This note is convertible after three years at Enablence's option at the greater of a minimum conversion price based on the value of an Enablence common share at the date of closing of the

transaction and market price at the time of conversion.

"With this merger, Enablence's FTTx Division will have one of the broadest set of access solutions in the industry, an expanded customer base of 420 customers and a capability to provide our customers with an evolutionary path from Ethernet/IP to FTTx using state of the art technologies" says Arvind Chhatbar, CEO of Enablence. Mr. Chhatbar further commented, "We anticipate that the merger will permit the entire FTTx Division to achieve positive cash flow in fiscal year 2010 contributing to our drive towards profitability by expanding our market reach to include existing DSL based services providers seeking to evolve their networks to optical access. The two companies have been working together over the last six months to provide solutions to customers which was a true catalyst for this deal. This will enable the combined FTTx Division to support all current customers and position it with more in-depth product lines for future growth. With the combined focus on access network solutions we will become a logical choice for customers when service providers are choosing their partners for access technology."

As both companies have enjoyed solid growth, the merger will result in a company well positioned to capture the market and withstand competitive and economic pressures. "Clearly the benefits of the combined entity is larger than the benefits of each company alone" said Mark Carpenter, President of Pannaway. "Enablence brings state of the art products, financial stability, new and innovative technologies and experienced staff and management to this deal with a strong dedication to access markets and customer focus." explained Mr. Carpenter. The operations of the two companies will be streamlined to help achieve cost savings and move toward profitability.

#### About Pannaway Technologies Inc.

Pannaway Technologies Inc. is a leader in converged broadband access solutions that brings together traditional POTs (Plain Old Telephone), DSL (Digital Subscriber Line), ADSL 2+ (Asynchronous Digital Subscriber Line), with Active Point to Point Optical and GPON Optical Communications. Through its customer-proven broadband access solutions Pannaway enables its 300-plus North American telecommunications service provider customers to seamlessly evolve their legacy networks to Ethernet/Internet Protocol (IP) - "at-will". Based on industry-standard IP and Ethernet technologies, Pannaway's comprehensive Service Convergence Network (SCN™), is proven to help service providers compete more effectively and ensure a next-generation network that will support emerging, bandwidth intensive services for decades to come.

#### About Enablence Technologies Inc.

Enablence Technologies Inc., (TSX VENTURE:ENA) a publicly traded company headquartered in Ottawa, Ontario, Canada, designs, manufactures and sells optical components, subsystems and systems to a global customer base.

Enablence's FTTx Networks Division is an industry leader in optical broadband access systems, with an expanding Fiber-to-the-Premises (FTTP) product portfolio featuring a variety of architectural options, based on IP and Ethernet standards, for triple play voice, video and data services. The company's TRIDENT7™ Universal Access Platform has been installed at over 120 communications service providers around the world in a variety of the Postal Telephone & Telegraph (PTT), Independent Operator Carrier (IOC), Competitive Local Exchange Carrier (CLEC), Multiple Systems Operator (MSO), municipal, utility and real estate development companies to deliver next generation optical communications services.

The Enablence Optical Components and Subsystems Division is a global leader in applying the Planar Lightwave Circuit (PLC) technology to integrate multiple components into a single optical chip to reduce footprint and costs. The designers of access, metro and long-haul next-generation networks turn to Enablence for innovative, smaller and faster components and subsystems. Products for access, metro and long-haul markets include transceivers, splitters, waveguides, optical channel monitors, multiplexers, ROADMs, switches, tunable dispersion compensators, and photodiodes.

#### Forward Looking Statements

The statements in this press release may contain forward looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Corporation's expectations and projections.

The TSX Venture Exchange has not approved this press release and does not accept responsibility for the adequacy or accuracy of this press release.

#### **For more information, please contact**

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