

# LightPath Technologies, Inc. Invests in LightChip, Inc.

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## For Immediate Release

(May 22, 2002) - ALBUQUERQUE, N.M. -- LightPath Technologies, Inc. (Nasdaq: LPTH), manufacturer and integrator of families of high performance fiber optic components for the telecom industry, has invested an additional \$1.5 million in LightChip, Inc. a Salem New Hampshire optical networking company. LightChip sold shares to LightPath, Berkeley International Capital Corporation, Morgenthaler Ventures, and AT&T Ventures, existing LightChip investors, in this \$7 million initial closing of an equity round which closed on May 21, 2002. With the successful completion of certain milestones anticipated in late calendar 2002, the investors have the option to invest up to \$13 million of additional funds in subsequent closings. If any of the existing investors decline to participate in subsequent closings, their investment in LightChip could be adversely impacted.

With this investment, LightPath maintains its pro rata ownership position in LightChip. The public market valuations for telecommunications companies have been severely depressed, and valuations of privately held telecommunications companies have decreased dramatically since the previous LightChip equity financing which occurred in August 2000. This equity round is at a price per share lower than the carrying value of LightPath's existing investment in LightChip of approximately \$8.2 million resulting in a write down of approximately \$6.3 million in the quarter ending June 30, 2002.

Bob Ripp, CEO commented, "While mindful of the LightPath cash management emphasis, we believe we can afford this current level of investment in LightChip. There is risk inherent with this investment in LightChip, however, we believe it offers potentially attractive returns for the Company".

LightPath manufactures proprietary collimator assemblies, GRADIUM® glass products and other optical telecommunications products at its headquarters in Albuquerque. The Company's subsidiaries, Horizon Photonics and Geltech, manufacture isolator products utilizing proprietary automation technology in Walnut, California, and precision molded aspheric optics used in the active telecom components market in Orlando, Florida. The Company has 49 U.S. patents, plus 5 more pending, associated with its optical technologies. In addition, various foreign countries have issued a total of 29 patents with 15 patents pending. LightPath common stock trades on the Nasdaq National Market under the stock symbol LPTH.

Contacts: Donna Bogue, CFO  
LightPath Technologies, Inc. (505) 342-1100  
Internet: [www.lightpath.com](http://www.lightpath.com)

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