

Dubai Investors Buy Minority Stake in Turin

Sale could help Petaluma startup reach Middle East, Asian markets

By: Steve Hart

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Turin Networks has received a cash infusion from a Dubai-based private equity firm, a move that could help the Petaluma telecom equipment developer reach new markets in the Middle East and Asia.

"There are significant growth opportunities in that part of the world," said Bill Zerella, Turin's chief financial officer.

Zerella said Dubai's Millennium Private Equity acquired a "significant" minority stake in Turin, which makes equipment for wireless and wireline communications networks.

"The principals in Millennium have a lot of relationships in the Middle East and Asia," Zerella said. Most of Turin's business is in North America, but the company is hoping to build a global customer base, he said.

Turin and Millennium wouldn't disclose the amount of the investment. But Turin told U.S. securities regulators in June it had raised half of a planned \$30 million funding round, according to Dow Jones VentureWire, which tracks private equity deals.

Millennium Private Equity is a wholly owned subsidiary of Millennium Finance Corp., an investment bank based in Dubai, United Arab Emirates.

The investment was made through MPE's Telecom, Media, and Technology Fund. The deal was announced Sept. 25.

Earlier this year, Millennium pumped \$100 million into Infratel, an India-based company that builds and operates telecommunications towers.

"We believe Turin's products are at the leading edge of the industry, and telecom operators in the Greater Middle East, Asia and Africa will welcome the ability to apply them," said Izzet Gueney, Millennium's senior executive officer.

Turin makes optical switching and transmission equipment for carriers' core networks. The technology company expanded its suite of products earlier this year with the \$93 million acquisition of Carrier Access, a Colorado company that makes network access gear.

Last month, Turin rolled out new technology that makes it easier for telecom carriers to offer Internet phone service to small- and mid-sized business customers.

Turin has about 400 employees, including 150 at its Petaluma headquarters. It also has research and development facilities in Boulder, Dallas, Boston and Shanghai.

The privately held company doesn't disclose revenues. Not counting the latest investment, Turin has raised about \$200 million in venture funding since it was founded in 1999.