



Intel sells optical network business for \$115 million

NEW YORK -- Intel Corp. has sold a business that manufactures optical network components to Cortina Systems Inc. for \$115 million in cash and stock, the companies said Monday.

The sale comes a week after Intel announced a major restructuring in which it plans to cut 10,500 jobs, or about 10 percent of its work force, through layoffs, attrition and the sale of underperforming business units.

Intel declined to indicate whether the sold business is profitable. Cortina said the acquisition will make it "immediately profitable" but declined to elaborate.

Cortina, based in Sunnyvale, Calif., also announced it has raised \$132 million more in venture capital, a funding led by new investor Institutional Venture Partners and previous backers Canaan Partners and Morgenthaler Ventures.

Including the new funding, Cortina has now raised nearly \$200 million in venture capital.

Negotiations for the optical components business began before Intel detailed its restructuring last week, but the sale of the 120-employee operation will contribute to the job cut target, a spokesman said.