

Press Release

The Capital Fund Invests £100,000 in Quotient Diagnostics Ltd

"The diagnosis, treatment and management of diabetes and associated diseases"

The Capital Fund, the Regional Venture Capital Fund for London, which is sponsored by the London Development Agency ("LDA") has today announced that it has invested £100,000 in Quotient Diagnostics ("Quotient"), creators and manufacturers of diagnostic tools for assisting the treatment of diabetes.

Quotient, which was incorporated in December 2002, is developing an instrument to provide low-cost, immediate and accurate measurement of glycated haemoglobin in blood samples. The diagnosis, treatment and management of diabetes and associated diseases can be significantly improved by using the information provided from the measurement of glycated haemoglobin levels in blood samples.

Current techniques require the separation of haemoglobin into glycated and non-glycated fractions before taking measurements. This is a complex procedure that can easily lead to errors. Quotient's method uses the fluorescent properties of a patented reagent to pinpoint the glycated fraction without the need for a separation method.

Diabetes is becoming a worldwide epidemic, now known to affect around 150 million people, and rising inexorably. It is strongly associated with obesity and increasingly affects children and adolescents. Over half the diabetics in the world are believed to be undiagnosed.

David Chatterton, Chief Executive of Quotient commented today:

"We are delighted to have been given this level of support by The Capital Fund and believe that this level of funding will allow us the opportunity to continue the successful development of our product"

The Capital Fund, which is managed by London Fund Managers ("LFM"), will be investing in Quotient alongside two other financial institutions, NESTA, the National Endowment for Science, Technology and the Arts (www.nesta.org.uk), the organisation that champions UK creativity and innovation, and GEIF Ventures (www.geifventures.co.uk), a £2.5 million co-investment fund within the NW Brown Group. A number of private individuals will also be investing.

Ian Cameron, Investment Director of LFM said today:

"We are delighted to be taking part in this exciting new phase in the growth of Quotient, which is a company we believe has huge growth potential. We believe that the Management team at Quotient has the experience and commitment to realise the full potential of the opportunity."

Further enquiries:

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The Capital Fund

The Capital Fund can invest in companies based in the 32 boroughs of London and the City. Initial investments can be up to £250,000 and the fund has the ability to invest a further £250,000 after at least 6 months. Under certain circumstances, the fund can invest up to £5m.

The Capital Fund is a £50m Regional Venture Capital Fund managed by London Fund Managers (LFM). The fund has a mixture of public and private sector investors and is sponsored by the London Development Agency. LFM is investing the fund in high potential London-based SMEs in order to achieve a commercial return for the fund's shareholders. The fund was launched in 2002 and will be invested over a period of six years.

When assessing a company for investment, LFM looks for:

- **strong, balanced management teams**
- **clear customer needs for the product/service offered**
- **convincing sales, marketing and fulfilment strategies**
- **potential for high growth in sales, profits and shareholder value**



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