

Press Release

UK Explorer Ltd raises £1/2 million investment from The Capital Fund and private investors

UK Explorer, a London based company that provides wired and wireless Internet access solutions has secured £1/4 million in venture capital from The Capital Fund, the Regional Venture Capital Fund for London.

The investment comes alongside a £1/2 million round of equity and debt funding that will enable UK Explorer to rapidly roll out its successful public Internet solutions throughout the United Kingdom.

UK Explorer is one of the UK's leading suppliers of public Internet terminals and WiFi hotspots, with over 500 access points throughout the United Kingdom and as far a field as on Mediterranean cruise ships.

"We are very impressed by the quality of UK Explorer's offering and the large number of Blue Chip customers that they have attracted" says Mike Kennedy, the Investment Manager at London Fund Managers ("LFM") who worked on the deal. "After speaking to UK Explorer's customers and reviewing the market we believe that UK Explorer has the opportunity to build a sizeable public internet access business. Recent sales growth is testament to UK Explorer's ability to clearly demonstrate the market leading position of its solutions."

"This investment will enable us to take full advantage of the software and solutions that we have developed." said Richard Stubbs, Managing Director of UK Explorer. Richard continues "Our growth has been somewhat restricted by our ability to fund the demand we have seen. We now have the freedom to aggressively market our solutions and roll out at a pace unrestricted by funding constraints. We are very pleased to have attracted interest from The Capital Fund and look forward to another successful year in 2004."

LFM was advised by Duncan Innes and Jeff Hollindale of Marriott Harrison. Duncan Innes said, *"We were delighted to advise the Capital Fund on the legal aspects of its investment in UK Explorer, a company with market leading solutions in a fast moving and expanding part of the technology industry."*

UK Explorer was advised by Sarah Scarlett and Peter Kidd of Penningtons. Sarah Scarlett said, *"We are impressed with UK Explorer's management team and their abilities to achieve very high growth targets. We look forward to a long and fruitful relationship with the company."*

For further information regarding The Capital Fund or UK Explorer, please refer to www.thecapitalfund.co.uk or www.ukexplorer.com.

Further enquiries:

Mike Kennedy
London Fund Managers
020 7812 6779
mkenedy@londonfundmanagers.co.uk

Richard Stubbs
UK Explorer Limited
020 7486 9989
richard@ukexplorer.com

Kelly-Ann French
Buchanan Communications
01943 883990

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**



London Fund Managers

Brookmount House 62-65 Chandos Place
Covent Garden London WC2N 4LP

Tel: 020 7812 6772 Fax: 020 7812 6773

E-mail: info@thecapitalfund.co.uk Web: www.thecapitalfund.co.uk