

PRESS INFORMATION

For Immediate Release

[DATE]

LASER SYSTEMS FIRM ATTRACTS INTERNATIONAL VENTURE CAPITAL

Powerlase, the developer of industrial solid state laser systems, has attracted a £7m pan-European investment led by Deutsche Venture Capital and MTI Partners, supported by MB Venture Capital Fund I NV and with continuing commitment from existing Powerlase investors, including Cazenove Private Equity and FNI Venture Capital.

The Powerlase range of High Power Solid State Diode Pumped lasers offer is used in industrial sectors where high average power is required for volume production. The technology can also deliver the laser beams via fiber optics, providing great flexibility to systems integrators. Market applications include display manufacturing; microelectronics; PCB production; aerospace, and the machine tool industry.

Powerlase lasers combine high average power and short nanosecond pulses, not previously available together, and feature energy conversion efficiencies up to double that of industry norms.

The funding will aid Powerlase's expansion of its manufacturing operations and finance further growth in laser development for industrial materials processing.

David Ward, Partner at MTI, said: "Powerlase is a great example of the type of company that MTI gets excited about as it combines state of the art technology with a major current and future corporate marketplace. The co-lead investors bring complementary skills to the company. Powerlase will benefit from both DVC's excellent knowledge of the industrial laser marketplace in Germany, and MTI's hands-on investment style based on the international operating experience of the MTI team."

Cyril Bertrand, Partner at DVC Deutsche Venture Capital, said: We at DVC are very impressed by the recent successes of Powerlase within Tier-1 customers. This certainly is the crowning result of the investments made by existing investors in Powerlase's heavy technological content. It also comes at a time where the end-markets of the company (like the Flat Panel Displays) literally explode - a potential Powerlase is now in a position to fully realize by leveraging the long-term financial commitment and strategic support of DVC, MTI and Alice Ventures.

Cesare Sironi, Partner at Alice Ventures (advisor of MB Venture Capital Fund I NV), said: "Powerlase is breaking new ground in solid state laser systems. This success has stimulated the growth of the business and generated today's investment."

Terry Nowell, CEO of Powerlase, said: "The combination of key scientific technology, strong investor base, and collaborative work with multinational partners places Powerlase at the forefront of industrial laser technology. We are particularly

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Deutsche Venture Capital DVC



pleased to enjoy the continued support of existing investors, along with the new investors in a syndicate for this round”.

David Ward and Cyril Bertrand will join the Board of Powerlase.

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Notes to Editors:

About Powerlase

The company designs and manufactures its products at its facility in Crawley West Sussex UK. It was formed in 2000 as a spin off from Imperial College London.

The products are all solid-state and do not use any hazardous Chemicals or gases reducing industrial environmental impact. The standard product specifications are available on the website www.powerlase.com . Laser output powers range from 50W to over 1kW in 1064nm with optional 532nm versions.

Sales do not typically compete with other lasers, but are replacing industrial processes that are older, costly, slow, or environmentally unfriendly processes.

The wide variety of product applications include:

- 'Ablative lithography' - for direct write patterning of flat panel displays
- Copper cutting - cutting of composite copper/insulator sheets for flexible PCBs etc.
- 'Laser milling' - for machining of high strength metal alloys and industrial diamond laminates.

About MTI

MTI is one of the UK's leading providers of specialist venture capital to UK technology companies that are at an early stage in their development or recovery.

MTI's strength lies in its appreciation of hi-tech companies, coupled with the experience to provide quality business advice. All its executives are well-qualified technologists who have a passion for helping young companies, and their management teams, evolve and grow. They have enjoyed success in commercial business environments at the most senior levels of management before joining MTI.

MTI's overriding motivation for investment is a company's potential for commercial success, determined by the quality of its technology, potential market, and the calibre of its management.

MTI has been supporting UK early stage technology since 1983, and is currently actively investing from its fourth, £105m, fund. It typically provides between £1 million and £5 million, with return on investment sought principally in the form of capital gain over a 3 to 7 year period.

Recent example investments made by MTI include Sarantel, Eleksen and ApaTech, and recent major realisations include Advanced Composites Group.

About DVC Deutsche Venture Capital

DVC Deutsche Venture Capital, a leading venture capital firm based in Munich, focuses primarily on European growth companies in the areas of information, telecommunication, semiconductor and industrial technologies as well as life sciences. In the field of life sciences DVC invests in the development of therapeutic and diagnostic products as well as in platform and medical technologies. DVC's total administrated fund volume amounts to 300 million Euro. For investments in private companies, DVC invests approximately 1 - 10 million Euro as lead investor or, in the case of larger financing rounds, as co-lead investor. DVC is a "value-added" financial investor. Each sector team consists of experienced investment managers with relevant backgrounds. Since its formation in 1998, DVC has invested in approximately 70 companies.

About MB Venture Capital Fund I NV ("MBVC")

MB Venture Capital Fund I NV is a venture capital fund based in the Netherlands and investing in high-potential companies in the areas of communications, semiconductors, software and internet infrastructures and medical devices and it avails itself of the advice of Alice Ventures which comprises a multinational team of highly professional and motivated partners and investment managers, backed by an extensive network of relationships. MB helps in selecting, monitoring and supporting its portfolio companies in dynamic high growth domains throughout Europe and Israel.

About FNI Venture Capital

FNI Venture Capital is the UK venture capital investment arm of Renate Nixdorf Verwaltungsgesellschaft GmbH, a company based in Paderborn, Germany. FNI, established in 2000, invests in UK technology companies, and specialises

in high-tech businesses in computer software, telecommunications, electronics and material science encompassing innovative core technologies.