

For immediate release

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SPIN-OUT VENTURE FUND ACHIEVES FIRST CLOSE

MTI and The University of Manchester today announce the first close of Europe's largest institutional fund to have a single university focus - the **UMIP Premier Fund** ("the Fund").

With funding from a broad range of UK and European institutional and supranational investors, including EIF (European Investment Fund), NESTA (National Endowment for Science, Technology and the Arts), Co-operative Insurance Society and others, the Fund has initial backing of €42 million (£32 million). The fund manager, MTI, believes that it is likely the Fund will eventually close at €65 million (£50 million).

The Fund will make most of its initial investments in the £250,000 - £750,000 range, but with the intention and the capacity to continue investing up to an average of £2m - £3m. Once it is fully invested, the Fund is expected to comprise a portfolio of approximately 20 investments.

The University of Manchester & UMIP

The University of Manchester is the UK's largest university, with over 30,000 students and 4,500 academic and research staff, and the *alma mater* of 20 Nobel Prize winners. The University has a successful spin-out track-record, and the early stage commercialisation of the University's intellectual property through successful spin-outs will continue to be managed by The University of Manchester Intellectual Property Ltd ("UMIP").

Companies which have emerged from the University have attracted over £150m of funding over the last 5 years and include successes such as Transitive, and Renovo - a wound treatment company listed on the London Stock Exchange and valued at approx. £300m.

The UMIP Premier Fund will have preferred access to all investment opportunities generated by technology research at The University of Manchester, which has an abundance of 5-star research departments, and boasts some of the finest technology investment opportunities in the UK. The Fund will focus on investing in young technology companies, and will have both the ability and capacity to support their growth through follow-on investment.

Professor Alan Gilbert, President and Vice-Chancellor of The University of Manchester said: "This is a ground-breaking initiative establishing a hugely creative vehicle for providing academics with access to the capital to develop the world-leading research, for which the UK is renowned, into world-beating companies."

MTI

UMIP has teamed up with the UK's leading technology investment manager, MTI, in order to exploit the rich seam of latent opportunity within The University of Manchester and to turn it into commercial success.

The UMIP Premier Fund will draw on MTI's experience of investing in technology companies and developing their operational and marketing excellence. MTI's experience in injecting new skills, contacts and strategies will drive growth and success in these investment areas.

MTI has more than two decades of investment management experience, and over that period has managed four venture funds dedicated to technology investments. MTI is in the process of appointing a dedicated, professional technology fund manager for UMIP to be based in Manchester.

Ernie Richardson, Managing Partner at MTI, said: "We have seen evidence of some incredible ideas within the research departments of The University of Manchester. This Fund will enable those researchers to gain access to the finance and business skills to turn their ideas into real businesses, and generate substantial value - what could be more exciting? The support of our investors like EIF, has enabled us to create the biggest such fund in Europe."

A launch event will be held in London during May.

For further information on The UMIP Premier Fund please visit www.theupf.com

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Notes to Editors:

About UMIP

The University of Manchester Intellectual Property Limited (UMIP) is the managing agent of The University of Manchester for intellectual property commercialisation. UMIP's role is to enhance the reputation of the University's intellectual property development through successful spin-out and licensing business activities.

UMIP will manage early stage proof-of-principle awards, which are a novel feature of the Fund, thereby kick-starting the new ideas coming out of the University. The University currently has up to ten spinout companies looking for funding.

About the UMIP Premier Fund

The University of Manchester will provide the first rights to the Fund for investment in spinouts, giving the Fund first chance on offering 'late seed' capital in the order of £500k - £2m per spin-out, to academics with promising technology.

10% of the Fund will be allocated to making proof-of-principle awards (~£50k+), representing the seed corn for future deals for the Fund. In addition, the Fund will have the option to invest up to 20% in deals that do not originate from the University of Manchester.

About The University of Manchester

The University has an exceptional record of generating and sharing new ideas and innovations. Many advances of the 20th century began at the University, such as the work by Rutherford leading to the splitting of the atom, and the development of the world's first modern computer. The University has an annual income of £637m and was named University of the Year in The Sunday Times in 2006. Manchester aims to become one of the top 25 research universities in the world by 2015. Matrix Private Funds Group acted as advisor to the University throughout the fund raising process.

About MTI

MTI is a leader in the field of technology venture capital, and one of the most successful and experienced technology fund managers in the UK. With a sustained performance record across more than two decades and four venture funds, of which the most recent was over £100m, MTI has 80 years of aggregate experience in technology investing. MTI's portfolio of investments includes global companies in the Materials Technology, ITEC and Medical Technology sectors. MTI can invest at any stage of a company's growth cycle, and all of its executives are experienced technologists and businessmen who have a passion for helping young companies and their management teams. 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.

About EIF (European Investment Fund)

EIF, the risk capital arm of the EIB (European Investment Bank), is a triple-rated organisation (AAA/Aaa/AAA ratings from Standard & Poor's, Moody's and Fitch) that focuses on venture capital and the provision of bank guarantees. With investments in some 270 funds and commitments in excess of EUR 4.4bn in venture capital, and EUR 11.6bn in guarantees, EIF is a major player in access to finance for SMEs. With a focus on high-tech and early-stage investments, EIF aims to catalyse the development of the venture capital industry in Europe.



The UMIP Premier Fund is supported by the European Union through the "Competitiveness and Innovation Framework Programme" ("CIP").

About NESTA

NESTA is the National Endowment for Science, Technology & the Arts. Its mission is to transform the UK's capacity for innovation. It does this in three main ways: by working to build a more pervasive culture of innovation in this country; by providing innovators with access to early stage capital; and by driving forward research into innovation, with a view to influencing policy.