



DeepStream
Technologies



3i leads financing, joining Doughty Hanson to invest in DeepStream Technologies

Disruptive embedded sensor company attracts over £8m in series 'B' funding from investors 3i and Doughty Hanson Technology Ventures

26 September 2006, UK: 3i, Europe's leading venture capital and private equity company, is a new investor in DeepStream Technologies, leading its £8.1m Series 'B' equity funding. The funding will be used to expand the company's range of solution platforms for new markets, particularly energy management, medical and appliance sectors, as well as expanding its revolutionary production operations to increase capacity.

Doughty Hanson Technology Ventures, the early-stage venture capital fund, has made a follow-on investment, further to its original investment in DeepStream in 2004.

DeepStream Technologies designs and manufactures intelligent embedded sensors for remote service enablement and the successful 'B' round brings its total equity, debt and government grant funding to date to £25m.

DeepStream Technologies has developed new technology to make electrical products more intelligent and enable pervasive internet services. Its revolutionary, fully automated manufacturing process allows clients to rapidly integrate DeepStream's technology in their existing product designs or newly developed products, with enhanced features and at no additional cost.

The company's strength lies in its ability to structurally embed its intelligent sensor components into electrical products. This enables the acquisition and communication of valuable data for networked services, providing diagnostic, prognostic and energy management capabilities within building automation applications or electrical appliances.

At the time of its investment, 3i VC director, Stephen Lowery joins the DeepStream Technologies board, adding: "We are delighted to be supporting DeepStream. Through its packaged digital solutions, Deepstream enables established industries to create new products with the potential to transform their marketplace. The impressive results of their work with customers in the energy management sector is testament to their approach. We see great overlap between the ambitions of the

team and the depth of 3i's experience and network and look forward to working with the team to build a great and successful business."

As well as securing funding from 3i and Doughty Hanson Technology Ventures, additional funding has also been secured from DeepStream Technologies' management. A Regional Selective Assistance grant of £1.5M and a £2.7M Property Development Grant for a purpose-built design and manufacturing facility in Parc Menai, North Wales, have also been secured from the Welsh Assembly Government.

Renowned technology broker Icon Corporate Finance, that acted for DeepStream Technologies in its Series A funding round, was again appointed as corporate finance advisor for the company's successful Series B equity funding.

Nigel Grierson, managing director, Doughty Hanson Technology Ventures, and a board member of DeepStream Technologies, said: "We are excited at the rapid progress DeepStream Technologies has made since we provided finance in 2004 and the business started developing towards the success it is today. As we enter the next stage of growth, we look forward to working together with 3i to build a company with the drive to become a world leader."

Mark Crosier, chief executive officer, DeepStream Technologies, said: "We welcome 3i as a new investor and are delighted that our existing investors have the belief in DeepStream Technologies to invest further. We believe their support and expertise will be invaluable in our future development as a global player."

-ends-

For more information please contact:

Daniel Twigg (DeepStream Technologies)
Chameleon PR
+44 (0)1614356460/daniel@chameleonpr.com

Rachel Richards
3i
+44 (0)20 7975 3573/rachel.richards@3i.com

Duncan Murray (Doughty Hanson Technology Ventures)
Gainsborough Communications Consultancy
+44 (0)207 190 1704/dm@gainsboroughcomms.com

About DeepStream Technologies

Launched in 2004 and listed in the Red Herring and Tornado Insider top 100 technology companies in Europe, DeepStream Technologies (www.deepstream.com) is a pioneer of 3D packaged embedded sensor technology for electromechanical products. The intelligent sensors increase host product functionality and enable

enhanced acquisition of valuable data for networked services including integrated energy management.

DeepStream's digital technology embeds intelligence adding benefit and competitive advantage to many industries such as building automation, appliances, lighting, secure power, motion control and medical.

Headquartered in Bangor, North Wales, DeepStream has research, development and high volume manufacturing facilities at the same location. The company has secured both private and public funding from organisations including Doughty Hanson Technology Ventures, HSBC and the Welsh Assembly Government.

About 3i

3i is a world leader in venture capital and private equity. We focus on Buyouts, Growth Capital and Venture Capital and invest across Europe, in the United States and in Asia. Our competitive advantage comes from our international network and the strength and breadth of our relationships in business. These underpin the value that we deliver to our portfolio and to our shareholders.

From early stage venture capital to growth capital and buyouts, 3i invests around €2bn a year in some of the most exciting and ambitious companies in the world, from Europe and US to Asia and Israel, in healthcare and cleantech to IT (telecoms, Internet, software, media and electronics/semiconductors).

3i has been instrumental in building world leading businesses including Vijai Electricals (Indian power transmission and distribution equipment), Gamesa (Spanish windfarm, petrochemicals and construction/maintenance) with realizations of \$bn businesses including Virata, LSI Logic, TTP.com, CSR (Cambridge Silicon Radio), SR Technics (world leader, integrated aircraft, component and engine solutions), YBR (Yellow Brick Road, international directories business), Bookham Technology (optical components, modules and subsystems design and, manufacture for the telecoms industry) as well as other electronics brands including Sychip (Murata), Sandburst (Broadcom), Microcosm (Conexant) with current investments including CamSemi, SIGE and others. www.3i.com

About Doughty Hanson Technology Ventures

Doughty Hanson Technology Ventures aims to help talented entrepreneurs in Europe to build world-class technology companies. Founded in 2000, Doughty Hanson Technology Ventures is an early-stage, venture capital fund with \$272 million under management. The Fund is independently managed by a dedicated team of professionals with substantial personal experience in the technology and financial sectors. The fund is focused on three sectors: software; communications technologies and semiconductors. www.doughtyhanson.com