

PRESS RELEASE

DEADLINE EXTENDED FOR £5 MILLION CHALLENGE

Businesses in the East Midlands have been given an extra fortnight to submit their entry into the Connect Midlands £5m Investment Challenge, which offers a reserved pot of up to £5m in equity funding to successful applicants.

The Connect Midlands £5 million Investment Challenge has experienced a high volume of traffic to its website and as a result has extended its deadline to 18th July to give interested parties more time to complete their online applications.

The Connect Midlands £5m Investment Challenge is sponsored by BT Business, backed by Catapult Venture Managers and East Midlands Early Growth Fund (managed by E-Synergy) and supported by the East Midlands Development Agency (*emda*) and GINEM.

Paul Bimson, BT Business Regional Manager said; "BT Business is proud to be partners in the Connect Midlands Investment Challenge as we're dedicated to helping start-up businesses grow and prosper. The Investment Challenge is a superb initiative, and a great opportunity for budding entrepreneurs to acquire the funding they need to establish themselves, and get that all important foothold in the marketplace."

To enter the Connect Investment Challenge, entrants complete the online assessment tool, The Gauntlet, on The Challenge's website at www.connectchallenge.org. The Gauntlet was developed by Doug Richard, founder and executive chairman of Library House, in partnership with the London School of Economics and Political Science.

Acting like a virtual investor, The Gauntlet asks the critical questions that investors ask, explains the rationale behind the questions and effectively tests businesses to see if they are ready for investment.

Mike Carr, Executive Director of Business Services at *emda*, said: "The Regional Economic Strategy highlights the need to improve access to finance as a priority action in creating a flourishing region, so we're very pleased to support this Connect Midlands initiative.

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“The Investment Challenge is a fantastic opportunity for the many growing businesses in the East Midlands to attract investment finance and so I would urge any company looking for financial backing to take up the challenge of ‘The Gauntlet.’ You can’t put a price on your time - but 30 minutes could be all it takes to put your business in the running to boost its bank balance and improve its growth potential.”

Last year the inaugural Connect Midlands Investment Challenge saw over 360 businesses enter with six lucky winners receiving investment from the then £1m jackpot. Three of 2006’s winners came from the East Midlands and were 4energy Ltd, Service Alert Ltd and active8 Intelligence.

Terms and conditions apply - Catapult Venture Managers Limited, E-Synergy (fund manager to the East Midlands Early Growth Fund), WM Enterprise Ltd (fund manager to the Mercia Technology Seed Fund) and Midven Limited are authorised and regulated by the Financial Services Authority. Any investment made from the Investment Funds will be in the form of a commercial venture capital structured investment on which the Funds managed by Catapult Venture Managers Limited, E-Synergy, WM Enterprise Limited and Midven Limited will be expecting a return.

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Notes to Editors

Connect Midlands

Connect Midlands is a not-for-profit network, linking high-potential technology businesses and entrepreneurs with the business training, finance, management and customers they need to succeed. www.connectmidlands.org.

The Challenge is supported by the European Regional Development Fund.

Catapult Venture Managers

Catapult Venture Managers Limited (Catapult) was formed in October 1999. The Chairman of Catapult Venture Managers is Mich Stevenson, an East Midlands entrepreneur. The Board also includes two non-executive directors, John May and David Lambert, both experienced venture capitalists.

The Catapult Venture Managers team is able to introduce companies to business contacts and professional advisers across the Midlands. www.catapult-vm.co.uk.

East Midlands Early Growth Fund

The Fund was officially launched by *emda* (the East Midlands Development Agency) in November 2006 and is managed by venture capital fund manager E-Synergy Ltd. It aims to help the region's start-up and early stage businesses by addressing the 'equity gap' which restricts young businesses from accessing growth funding. The Fund will invest in high-growth businesses seeking between £20,000 and £200,000 of equity finance.

East Midlands Early Growth Fund was approved by *emda's* Board in December 2005 and following a competitive tender process, E-Synergy was appointed in September 2006 to manage the fund. For further information, visit www.earlygrowthfund.com.

GINEM

Supported by East Midlands Development Agency (*emda*), Growth Investment Network East Midlands (GINEM) is a not for profit organisation with the aim of stimulating growth through private equity investment in the region. www.ginem.co.uk.