



PRESS RELEASE

8th November 2010

Xeros successfully completes £3.5m funding round

Environmentally friendly laundry cleaning company raises finance

Xeros Limited, a spin-out company from the University of Leeds that has developed an entirely new clothes cleaning process, has successfully completed a £3.5m fundraising.

The funds were raised from new investors including Entrepreneurs Fund, who led the round, and Parkwalk Advisors Ltd, as well as existing investors including IP Group, and funds managed by EV Limited.

Harnessing over thirty years of research at the University of Leeds, Xeros is the brand name for a patented polymer-based cleaning that creates a step change advantage in the cost and environmental impact of aqueous wash cleaning. Water scarcity is an urgent issue across the planet and conventional laundry accounts for 15% of domestic water consumption. Achieving more for less is the obvious imperative yet the last major lower water technology was front loading washing machines over 50 years ago.

Xeros' washing innovation saves up to 90% of the water compared to front loading laundry systems and gives the same performance as conventional washing. The patented process uses reusable plastic beads alongside a fraction of the detergent, to absorb and remove dirt, so has the potential to provide significant benefits in energy and water efficiency and lower effluent.

Over the last 12 months, Xeros has developed a prototype machine that removes the beads from clothes after washing; has confirmed manufacturing and distribution partnerships both in the UK and US; and is gearing up for an initial launch in the commercial laundry market by the end of 2011. The company is also continuing to work towards the development of a household washing system.

Bill Westwater, Chief Executive of Xeros, said: "We are delighted with this funding completion. Of course, it's a vindication of our fast progress to date but, more importantly, we now have the funds to step up our technical development, particularly towards our ultimate goal of developing a washing system for the household. Genuine innovation in the laundry category is pretty hard to come by so Xeros stands out as a game-changer. The opportunity is to provide consumers with lower cost cleaning; dramatically reduce the considerable environment harm of laundry; and provide incremental revenue streams throughout the supply chain."

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Registered company number 5933013. VAT No. 938 0512 26



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Notes for editors

About Xeros

Xeros is a new company focused on the development of polymer bead clothes cleaning. Harnessing over 30 years of research by polymer scientists at the University of Leeds, Xeros is the brand name for a patented polymer based cleaning that creates step change advantage in the cost and environmental impact of aqueous wash cleaning. The name Xeros and the slogan “The power of polymer cleaning” are registered service marks of Xeros, Ltd.

Please visit www.xerosltd.com for more information about the Xeros technology.

About IP Group

IP Group is an intellectual property (IP) commercialisation company that specialises in commercialising university technology. Founded in 2001, IP Group listed on AIM in October 2003 and moved to the Official List in June 2006. It has made two acquisitions to date - Techtran, a company set up to commercialise university intellectual property under a long term contract with the University of Leeds, in 2005 and Top Technology Ventures, an investment adviser to early stage technology venture capital funds, in 2004.

IP Group has formed long-term partnerships with ten universities - the University of Oxford, King's College London, CNAP/University of York, the University of Leeds, the University of Bristol, the University of Surrey, the University of Southampton, Queen Mary (University of London), the University of Bath and the University of Glasgow.

The Company's portfolio is diverse with exposure to five main sectors - Energy & Renewables, Medical Equipment & Supplies, Pharma & Biotech, IT & Communications and Chemicals & Materials. To date, thirteen portfolio companies have listed on the AIM market of the London Stock Exchange, one on PLUS Markets and there have been five trade sales.

For more information, please visit our website at www.ipgroupplc.com.

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About Entrepreneurs Fund

The Entrepreneurs Fund (www.entrepreneursfund.com) is the venture capital member of COFRA, a global, family-controlled group of businesses. The Entrepreneurs Fund has €100 million under management, which it invests in early stage and growth companies owning strong technology/IP, with a focus on Europe. Sectors of interest include life sciences and clean technology sectors. The Entrepreneurs Fund is an active investor working closely with outstanding management teams in developing their businesses.

About Parkwalk Advisors Ltd

Parkwalk is a privately owned London based corporate advisory firm which manages a series of UK Technology EIS Funds, investing predominantly in UK University spin-out companies. Investing alongside other specialist funds, Parkwalk seek to enable High Net Worth individuals access to early stage technology investments that might otherwise not be available to them. In addition Parkwalk are active in advising small and medium enterprises on their strategy and fund raising.

For more information, please visit www.parkwalkadvisors.com or contact Moray Wright on 020 7947 4451.

About Finance Yorkshire

- Finance Yorkshire can provide seedcorn, loan and equity linked investments, ranging from £15,000 to £2million, specifically to help small and medium sized businesses meet the gaps in the market for the funding they need for growth and development.
- Finance Yorkshire has been developed as a European JEREMIE* initiative and is capitalised by grants from Yorkshire Forward's Single Programme (£15m), European Regional Development Fund (£30m) and finance from the European Investment Bank (£45m). (*JEREMIE stands for Joint European Resources for Micro to medium Enterprises)
- Finance Yorkshire invests in businesses based or moving to areas within Yorkshire, North Lincolnshire and North East Lincolnshire.

For more information, please visit www.finance-yorkshire.com or contact Suzanne Tinkler on 0845 649 0000.

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About EV Limited

EV is an independent fund manager offering venture and growth capital of up to £2million to new or existing SMEs based throughout the UK from its network of regional offices. It manages a range of funds aimed at both technology and non-technology SMEs at all stages of development, from early stage/proof of concept and start-up companies operating in leading edge technology markets through to providing funding packages for more mature and established businesses to support MBO/MBIs and development & replacement capital deals.

For more information, please visit www.evgroup.uk.com or contact Deborah Moon on 0845 094 8886.

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