

Broadreach Networks:-

Allied Powers were appointed to reconstruct the business of Broadreach Networks, the result of which involved the sale of the principle parts of the business to two separate organisations. The rail communications business was purchased by QinetiQ and the fixed locations business to NWP Spectrum.

The reconstruction took six months from May to October to achieve with the full support of the management team and investors.



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QinetiQ acquires Broadreach Networks - deal strengthens QinetiQ's 'internet for rail' business

QinetiQ has announced the acquisition of parts of Broadreach Networks Limited, including its subsidiary Broadreach Train Services Limited, a leading provider of Wi-Fi internet to the European rail industry. Broadreach will be merged with QinetiQ's existing wireless services operations for rail, creating a strengthened business called QinetiQ Rail Limited (www.QinetiQ.com/rail) that will focus on the delivery of onboard internet for trains, other important onboard services supported by wireless communications, and static internet hotspots at stations.

Train operating companies around Europe are increasingly looking to provide mobile internet access to improve customer services and differentiate themselves from the competition from air and road travel. Recent research conducted by Broadreach suggested that 77% of business travellers wanted Wi-Fi onboard trains, with 70% of respondents saying they would be more likely to travel by train if Wi-Fi was provided.

Broadreach was formed in 2000 and its major shareholders included BT, Virgin and Intel. Broadreach has well-established relationships with a number of the leading train operating companies including Eurostar and Virgin Trains. Broadreach has already installed its Connected Carriage™ system on Virgin's Voyager train and is currently undertaking a series of technical and commercial trials with Virgin Trains.

Broadreach also brings a number of contracts to provide static wireless hotspots at train stations, which will be consolidated with contracts awarded

by FirstGroup through QinetiQ's partnership with The Cloud, Europe's leading Wi-Fi company.

Announcing the deal, Hal Kruth, Managing Director of QinetiQ's Security and Commercial Ventures Sector, said: "This deal combines the strengths of two very complementary companies. Broadreach has established sound relationships with operators and suppliers alike which gives us real traction in the marketplace. When you add QinetiQ's technical know-how, particularly in wireless technology and the provision of real-time information systems, the result is a business that is well placed to exploit the increasing demand for internet access across the European rail network."

Magnus McEwen-King, founder of Broadreach and now CEO of QinetiQ Rail Limited, added: "It is clear that wireless internet access at stations and on trains gives rail operators a real competitive edge, particularly with business passengers. However, the formation of QinetiQ Rail enhances the offering to rail operators by adding fleet operation and security propositions that utilise the Connected Carriage™ system. QinetiQ Rail represents a winning combination of technological expertise, solid long term backing, a clear commercial approach and strong working relationships with key players in the European rail industry."

QinetiQ has been at the forefront of wireless technology development for many years and offers a broad range of market leading services to both commercial and defence customers. These include bespoke wireless fixed and mobile information solutions, system design, and development and assessment for a wide range of wireless communications and information systems.

QinetiQ has developed a wireless network solution that supports the information services at major rail stations, including converged voice, data and imagery services. The system can drive and monitor all passenger information displays, CCTV cameras and Help-Points inside the wireless zones.



Acquisition of Fixed and WiFi Internet Business of Broadreach Networks Ltd

Spectrum Interactive Plc ("Spectrum") (LSE:SIN), a leading operator of internet and payphone terminals in the UK and Germany, today announces that it has acquired almost all of the assets of the fixed and wireless public internet access business of Broadreach Networks Limited ("BRN"). Terms of the

transaction are not being disclosed, but Spectrum expect to see turnover in their Internet business rise by at least £500,000 pa as a result of the deal.

Spectrum is acquiring approximately 400 fixed and wireless internet units from BRN to complement Spectrum's existing public internet terminal business and broaden Spectrum's existing focus on airport and hotel sites to retail establishments.

The acquisition of BRN means Spectrum will operate in excess of 1600 internet terminals and 300 WiFi hotspots in the UK. Spectrum acquired UK Explorer Ltd in February 2005.

BRN, which was founded in 2000, provides fixed and wireless internet access services at sites across the UK to customers such as Virgin Megastores, Queens Moat House Hotels, Premier Travel Inns, Choice Hotels, Moto and Sainsbury.

Mark Lewarne, Chief Executive of Spectrum, commented:

"Following our successful acquisition and integration of UK Explorer in February 2005, this acquisition further strengthens our public internet access offering, bringing additional customers into our core sectors of travel and hospitality. Importantly, this deal also moves Spectrum into new sectors such as retail where BRN have a good presence.

We continue to see excellent growth prospects in the public internet access area and I am therefore delighted we have been able to conclude this transaction, which will be earnings enhancing. This is our second transaction in the internet access space this year and we are confident that further acquisition opportunities will develop in the UK and overseas during the next 12 months".