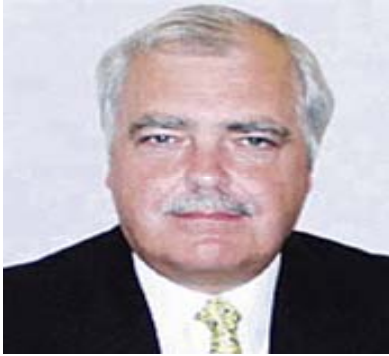

ALLIED POWERS

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Newsletter

Winter/Spring 2006



Chris Cundy is our latest member of the team to work with us. He is an experienced manager to CEO level, able to provide broad resource management skills in the high technology sector with specialised skills in hardware and software engineering focusing on sales, marketing and technical issues; gained in an international environment.

He has both strategic and tactical skills required by companies in their early stages of growth and has recently been assisting SME's in realising their growth goals.

Chris normally takes up NED, advisory and part-time operational roles in early stage companies.

Chris specialises in the electronics, high technology and IT sectors and is working with us in the area of deal management and is a Principal Consultant in the area of company trade sales.

In This Issue

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- © *Qinetiq*
- © *NWP Spectrum*
- © *Tidon*
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QinetiQ Acquires Broadreach Networks

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 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.



We are pleased to announce a new product from the IEA:-

TIDON Mobile Workflow.

This provides visibility & control over field operations

Many businesses have a field operatives to manage. They may be involved in inspecting & reporting, tracking and testing, installations, maintenance services, emergency repairs, or general logistics. Keeping a close eye on what is going on in the field can be challenging, costly and yet critical. Armed with complete, real-time visibility over all of your field operations, TIDON Mobile Workflow will alleviate this pain and deliver a new level of control.

Business Benefits - become best of breed:

With TIDON Mobile Workflow, you can increase revenue, whilst decreasing operational costs - improving your profitability.

TIDON allows you to manage the activity of field operatives in real time so that you can assure that tasks are completed when due, according to the correct procedure and recorded within a secure audit trail.

Whether for reducing invoice times, ensuring industry standards compliance, training purposes, or simply just for better management, TIDON yields a fast return on investment.

The business benefits that come hand in hand with the solution will increase your overall business performance and competitive advantage.

TIDON Mobile Workflow has been developed to provide a complete solution to organisations who face the challenge of managing a large number of field operatives. It's unique functionality and capabilities yield a fast return on investment.



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.

See the other announcements in this newsletter for more details.



MEDIASURFACE

Pleased that the Content Management provider Mediasurface has now been trading on the AIM market of the London Stock Exchange (ticker MSR) for over a year now.



We are pleased to report that VCF have continued to provide strong support and ongoing funding for Enseal in the last year



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's.

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".