



BT, Collier Capital and New Venture Partners Launch Corporate Venture Partnership

BT to boost value from research and technology innovation through new venturing partnership

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LONDON and MURRAY HILL, N.J. – BT today announced that BTexact Technologies, its advanced research and technology business, has teamed up with Collier Capital and New Venture Partners to create a new, independent corporate venturing partnership to be known as NVP Brightstar.

NVP Brightstar will have the exclusive rights to create new start-up businesses with BTexact using BT's extensive and developing intellectual property portfolio. It is expected to begin activities in March 2003 and will initially purchase the majority of the existing portfolio of technology ventures developed by BTexact's corporate incubator, Brightstar. An office will be located in Ipswich, UK.

Collier Capital, the UK-based global private equity secondaries investment manager, will purchase a majority stake with BT retaining approximately 23 per cent of NVP Brightstar. New Venture Partners, the US-based venture capital firm, will oversee and manage investment decisions for NVP Brightstar and provide funding for further new ventures. The total capital commitments of the parties is approximately \$100m.

Stewart Davies, chief executive of BTexact Technologies, said: "BT's stated objective is to gain maximum value from continuing investment and innovation in research and technology development. Brightstar is already a success story and setting up NVP Brightstar in conjunction with Collier Capital and New Venture Partners to create the leading global corporate venture development organization will enable us to realize even more value from current and future intellectual property. This venturing unit complements BT's existing patent technology licensing program for which it has an exclusive long-term arrangement with Silicon Valley-based IPVALUE Management Inc.

"This deal is not only good for BT, it's good for the UK too. Because of the organizations involved in NVP Brightstar we expect that our natural determination to innovate and the intellectual property under

development by BTextact will attract further interest resulting in many more UK-based high-technology businesses and jobs."

Jeremy Coller, chief executive officer of Coller Capital, said: "This important investment initiative further confirms that we are the partner of choice in complex private equity secondaries. BTextact has a globally recognized and outstanding research ability, which continues to strengthen its lead in the technology sector. This transaction adds neatly to our portfolio of high-quality technology assets, which includes our acquisition last year of an 80 percent stake in Bell Labs' in-house venture portfolio, managed by the spinout team now called New Venture Partners, the most successful US corporate venture capital group."

Andrew Garman, managing partner of New Venture Partners, said: "Our deep expertise in new venture development, together with BTextact's powerful R&D capability, and Coller Capital's global transactional experience will allow us to maximise the value of NVP Brightstar's existing portfolio and generate a significant number of new technology investment opportunities."

NVP Brightstar's initial portfolio of businesses based on BTextact's intellectual property (IP) will include:

- * a.p.solve, the provider of intelligent fieldforce management solutions;
- * Azure, the telecoms revenue assurance specialist;
- * Evolved Networks, the provider of artificial-intelligence-based software that automates telecoms network design and provisioning, delivering substantial time and cost savings;
- * Microwave Photonics, developer of new enabling technology that will revolutionize enterprise wireless LANs (WiFi) and mobile cellular infrastructure.

Brightstar was set up in 2000 to develop ventures based on the people and technology of BTextact. It has provided seed funding for internal start-ups, in which groups of BT's brightest technologists are given the chance to develop their technology ideas into fledgling ventures while still under the BT umbrella. Brightstar has now successfully created and spun out nine companies, raising \$55 million in venture capital funding.

About BTextact Technologies

BTextact Technologies helps businesses and organizations gain maximum advantage from communications technology. It creates value and competitive advantage by combining deep knowledge of networks and

networked applications with proven skills in business consulting, change management and innovation.

BTextact's services are focused to help customers assess the value and performance of communications technologies and systems, identify potential risks and ensure they gain maximum advantage from investments in communications technologies and applications.

Its employees include many who are world leaders in their specialist fields, working at the forefront of standards development and new technologies in areas including multimedia, IP and data networks, mobile communications, network design and management, and business applications. For more information about BTextact Technologies, please go to www.btextact.com

In 2002, as part of its strategy to increase value from intellectual property, BTextact announced an exclusive long-term arrangement for an intellectual property commercialization program in the US and Canada with Silicon Valley-based IPVALUE Management Inc. IPVALUE partners with large global companies to realize value from their intellectual property asset portfolios. IPVALUE, founded by the iFormation Group, is funded by Goldman Sachs, General Atlantic Partners and The Boston Consulting Group. More information about IPVALUE can be found at www.ipvalue.com.

About Collier Capital Ltd

Collier Capital is a specialist investment manager that, since its formation in 1990, has become the leading global investor in private equity "secondaries"--that is, in the purchase of stakes in venture capital, buyout and mezzanine investments or portfolios of companies from their original investors. Including its latest fund, Collier International Partners IV (CIP IV)--at \$2.5 billion, the largest global secondaries fund created to date, by far--the firm has in excess of \$3.5 billion under management.

Collier Capital is dedicated to making a difference as a pioneer and leader of global private equity secondaries. In 1994, the firm launched the first European secondaries fund, and in 1998 the first global secondaries fund. In mid-1998, in what was at the time the largest secondaries purchase ever, Collier Capital acquired the private equity portfolio of the US-based Shell Pension Trust, valued at \$265 million. Two years later, in what is still the largest-ever secondaries transaction, Collier Capital led the \$1 billion purchase of the former National Westminster Bank portfolio of private equity interests, involving 292 companies, from the Royal Bank of Scotland. In December 2001, Collier Capital purchased a majority stake in the first significant portfolio of in-house venture companies from Bell

Labs, comprising 27 technology companies. Today, Collier Capital is widely recognized as the world's leading secondaries group and is the second-largest owner of companies by number in the UK, after 3i.

For more information about Collier Capital, visit its web site at www.colliercapital.com

About New Venture Partners LLC

New Venture Partners collaborates closely with corporate and institutional laboratories to create independent new ventures. Its professionals take a hands-on approach to identifying, incubating, and forming companies based on advanced technology and underutilized existing company product lines.

The management team originally came together as the Lucent New Ventures Group, developing spinouts from Bell Labs. New Venture Partners, with a syndicate led by Collier Capital, acquired the former Bell Labs portfolio of 27 companies in December 2001, as the starting point for its independent operation as a venture capital firm. Its recent successes include Flarion, Watchmark, Intrado, Celiant (now part of Andrew Corp.), and Ibiqity Digital.

For more information, see the web site www.nvpllc.com

About NVP Brightstar

NVP Brightstar is the name identified with NV Partners IV LP, a Cayman Islands exempted limited partnership, in its venture activities. NVP Brightstar will be managed by NVPM LLC, a Delaware limited liability company within the New Venture Partners family of companies.

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