

News Release

CPS RAISES US\$9m TO DRIVE GLOBAL TAKE-UP OF MATRIX LOCATION TECHNOLOGY

(Cambridge, UK, Tuesday 25 May 2004) CPS (Cambridge Positioning Systems Ltd) today announces that it has raised an additional US\$9m from its existing investors to drive global take-up of its unique Matrix mass-market high accuracy location technology.

More than 10 mobile operators worldwide are undertaking trials of the unique Matrix software solution - which provides sub-100m accuracy in all environments, rapid time-to-fix and costs less than \$1 per handset to deploy. As well as serving the billion customer-strong GSM market, CPS also offers high accuracy solutions for 3G and vertical enterprise markets.

CPS recently announced that it is to integrate Matrix technology into offerings from Hewlett Packard, Andrew Corporation and major Chinese equipment vendor ZTE.

Existing investors, including 3i, Argo Global Capital, Prelude Trust and Alta Berkeley, have invested. The new money will support new products and strengthen joint development programmes with existing and potential partners.

Chris Wade, CPS Chief Executive Officer, said: "Right now, we are seeing an explosion in demand for our technology. Currently, we are actively trialling Matrix technology with major operators in 10 locations around the world - with more planned for the second half of the year. At the same time, we are making significant progress with equipment vendors and solutions providers to integrate Matrix into their offerings.

"We are delighted our investors have made this significant endorsement of our ambitious product development and marketing plans. Their investment will ensure that CPS continues to have the firm foundations for future growth."

Chairman John Scarisbrick said: "Clearly Matrix transforms the economics of Location Based Services with an industry leading combination of high accuracy and low cost on an open platform. This investment gives the company the resources necessary to fully exploit this advantage."

For more information:

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About CPS:

CPS is the high accuracy location enabler for the wireless world. Through consistent innovation, we have developed new ways of helping people pinpoint their whereabouts - via a standard GSM mobile handset. Our technology is called Matrix - a unique software-only solution that combines sub-100m accuracy with rapid time-to-fix and consistent performance across all environments.

Standardized for GSM, Matrix can be rolled out easily and rapidly to meet operator needs for new and differentiated location-enabled services. And because Matrix is software only, it means deployment costs are less than \$1 per subscriber - the most competitive high accuracy solution available.