

NEWS RELEASE

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XENA SYSTEMS AIMING FOR BUSINESS LIFT WITH £500,000 NEL INVESTMENT

A Teesside manufacturing business is aiming for rapid expansion by taking an industry-leading materials loading system to new markets around the world.

Xena Systems has developed the innovative LoadSwift system, which can increase productivity by at least 75% and save money for construction firms building multi-storey structures.

The new system is already being used on construction projects in London, Glasgow and Chicago – and now, through a newly-created division, LoadSwift International, Xena is looking to build new relationships with customers in India, the US, the United Arab Emirates and central Europe.

Xena, which is aiming to sell several hundred LoadSwift systems over the next few years, is undertaking the new venture with the help of a £500,000 investment from regional fund management firm NEL Fund Managers Ltd.

Three-fifths of the investment has come from the NEL Growth Fund, which is managed through NEL's specialist venture capital division, NEL Capital, with the remaining £200,000 coming the firm's debt and mezzanine finance division, Evolve Finance.

Xena Systems was formed in 2004 as a construction equipment hire business. Headquartered in Middlesbrough, the company now employs 11 people, and expects to increase this team by up to a further four people as the LoadSwift product campaign develops.

LoadSwift is an independent, integrated crane and platform system which can be used for loading materials into or out of buildings in excess of 40 storeys in height.

It is especially useful for city centre construction projects, where space is limited, and has been designed to be extremely simple for construction teams to use.

Xena Systems' CEO John Fuller says: "Moving materials is a key part of the construction process. This usually requires the use of a tower crane or slow moving elevator type equipment, which are primarily used for other on-site activities - project teams therefore have to wait until a tower crane is available, meaning costly delays in terms of both time and money.

"The LoadSwift system completely removes this problem, and means work can progress unhindered. Our research so far indicates that it makes the loading process about 80% more time efficient, for about a quarter of the cost of using a conventional tower crane to do the job.

"We estimate that LoadSwift could be used on thousands of construction projects that are currently ongoing around the world, and are now actively demonstrating the product to hire companies and end users.

"The whole funding process was managed extremely well by the NEL team and they made sure it was suitably rigorous but not so demanding that we weren't able to stay focussed on our business whilst we were going through it."

Nick Edgar, investment executive at NEL Capital, adds: "Xena Systems have taken a very simple concept and developed an innovative product that fills an important niche within the construction industry.

"Initial responses to the new product have been very positive and the significant commercial potential of the system made this an excellent investment opportunity for NEL."

For more information about NEL's investment criteria, visit www.nel.co.uk or contact Barrie Hensby on 0845 111 1850.

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Notes to Editors

NEL Capital is the venture capital division of Northern Enterprise Limited, and Evolve Finance is its specialist debt and mezzanine finance. Northern Enterprise Limited is authorised and regulated in the UK by the Financial Services Authority and is a member of the British Venture Capital Association.