

/ WLAN AG acquired by Swisscom / Successful exit for 3 well-known VCs /

WLAN AG, the leading German operator of Wireless Local Area Networks in public “hotspot” locations has been acquired by Swisscom. The Munich-based company was founded in February 2002 and had been financed by venture capital firms Target Partners, Viventures and Wellington Partners.

Munich, March 7, 2003. Five months after their joint investment commitment totaling € 9 million, lead investor Target Partners, Munich, and co-investors Viventures, Paris, and Wellington Partners, Munich, announced the sale of their portfolio company WLAN AG to Swisscom Eurospot, a new subsidiary of telecom operator Swisscom AG. Swisscom Eurospot will set up PWLAN (Public Wireless Local Area Network) services for businesses throughout Europe. The terms of the transaction were not disclosed.

Founded in February 2002, WLAN AG has established itself as the leading independent operator of Wireless LANs for public hotspot locations in Germany. Within the last six months the company more than doubled its number of hotspots to over 100 and gained German Hilton hotels (among others) as a new customer; all this despite the economic downturn in Germany. This success is based on the initial seed financing from Target Partners in April 2002, followed by the joint investment of the three venture firms in September 2002.

With this background, WLAN AG perfectly fits Swisscom’s new European-wide strategy to offer PWLAN services to its target customers –international business travelers. In order to offer good coverage to its customers from day one, Swisscom Eurospot has acquired two leading European PWLAN providers, WLAN AG based in Munich and Megabeam Networks Ltd. in London. Through these acquisitions and through organic growth, more than 400 hotspots are under contract, out of which about 100 are already operational.

Kurt Müller, partner at Target Partners and Chairman of WLAN AG sees the market entry of Swisscom as proof of the investment rationale of the venture investors: “We see Wireless Local Area Networks as a major trend within the future of mobile data communications, and so decided to fund the most focused management team in the WLAN-service market, and to help them quickly build on their head-start position.” The management team of WLAN AG around co-founder Robert Lang seized the opportunity. “We were impressed to see how fast the company established a strong organization and executed on their strategy”, commented Eric Plantier, Investment Director of Viventures.

The combination of WLAN AG’s leading position within Europe’s largest communications market and Swisscom’s determined approach to a European-wide strategy creates immediate benefit for both organizations. Venture Partner Eberhard Plattfaut of Wellington summarized: “We are convinced that Swisscom is the best partner for our portfolio company to realize the vision we had at our initial investment”.

Legal counsel for the shareholders of WLAN AG was S.J. Berwin Knopf Tulloch Steininger, Munich. Legal counsel for Swisscom was Allen & Overy, Hamburg.

Additional information can be found at:

www.wlangroup.com

www.targetpartners.de

www.viventures.com

www.wellington.de

www.swisscom.com

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About WLAN AG:

Headquartered in Munich, WLAN AG installs and operates wireless local area networks (WLANs) at business hotels and top hotels throughout Germany. Installations at around 100 establishments in Germany make this fast-growing company one of the country's leading players in this area. Guests who stay at partner hotels can access the Internet much faster and at much lower cost than if they use conventional mobile data channels. For business travelers, this makes WLAN AG's partner hotels the ideal place from which to work while on the move. A roaming facility between the hotels also gives corporate customers, conference organizers and other frequent travelers a single Internet login which they can use at all suitably equipped hotels. All WLAN networks are based on the global IEEE 802.11b and WiFi (Wireless Fidelity) standards.

About TARGET PARTNERS:

Target Partners is an established venture capital firm with headquarters in Munich, Germany, focused on strategic investments in the IT industry. The company's close-knit management team draws on significant experience as managers, venture capitalists and entrepreneurs to assist their clients in a broad spectrum of areas. Target Partners' staff has expertise in product development and marketing, organization and growth of young companies, financing structures, and the planning and implementation of corporate IPOs in Europe and the United States. The fund's available assets of 112 million Euro will be invested in young companies, generally in the first or second rounds of financing. Target Partners has an extensive network of contacts in the IT and venture capital industries worldwide.

About VIVENTURES:

Viventures Partners is a global venture capital firm focused on the information technology and telecommunication sectors. Viventures Partners offers not only financial commitment but also the technology, business and international expertise of its experienced partners as well as an extensive worldwide network of resources, including relationships with its global, blue chip investors. These Limited Partners include over 30 industrial and financial enterprises from Europe, the US and Asia who are global leaders in their respective businesses (technology, telecommunications, media and entertainment, and financial services). This unique mix of investors, present and active on an international scale, reflects the fund's global character and contributes to the long-term financial and business success of the fund's portfolio companies.

About WELLINGTON PARTNERS:

Formed in 1991, Wellington Partners invests venture capital in young start-ups throughout Europe in the fields of information and communication technology and life science and numbers among Europe's most successful early-stage financiers. Investors in Wellington Partners I fund have received 166 % cash pay-back to date. The Munich-based company today manages a total fund volume of € 265 million, with € 85 million of this funding available for new investments.

Wellington Partners is presently invested in over 20 companies, including Covast (Netherlands) and the German companies Cobion, EnOcean, Garderos and NaWoTec. Serving as the lead or co-lead investor, the company has already accompanied such successful technology vendors as Chipbroker ACG or biotech player Actelion in going public.