



28th November 2006

CORE CAPITAL LEADS £5 MILLION INVESTMENT IN KELWAY

Core Capital, the specialist private equity partnership, announced today that they had completed an investment in Kelway, making this the fifth investment completed so far in 2006.

Core led the £5 million replacement capital investment in Kelway, a fast growing IT hardware and software reseller based in the UK, which focuses on supplying to companies in the SME market. Kelway is one of the UK's leading resellers of computing and networking hardware and software to leading corporate and public sector organisations across the UK. Kelway also provides a range of related value added IT services.

Kelway has an established market niche supplying companies where the service requirement is as important as the hardware itself, and Kelway has developed a model based upon serving the needs of this particular client base. Kelway aims to support the IT procurement function within companies that typically lack the internal resources to manage this complex and business critical need.

The company has various locations in the UK but a vast majority of the 62 employees are based in the London office. Founded in 1990, Kelway has grown from £25 million revenues two years ago to some £55 million in 2007, while the UK hardware's CAGR over the same period was only 5.9% (IDC).

Kelway also supplies packaged software and is an accredited partner of all the major packaged software vendors including Microsoft, Oracle, Adobe, Citrix and Veritas.

Commenting on the transaction, Walid Fakhry said, "Kelway represents an attractive opportunity for the Core funds to invest in an established yet fast growing business, with a large installed base and an interesting business model. It's service-led

approach has allowed Kelway to support its clients growing IT needs and achieve good margins. This continues to be well received in a market typically dominated by low-cost, low value added suppliers, who fail to support SME businesses and instead usually target larger organisations.”

Phil Doye, Managing Director of Kelway commented “Working with Core, who add a lot of value to Kelway, represents a good opportunity to support the continued growth of the business, both organically and through acquisition. The deal process highlighted the supportive approach that they adopt and I look forward to working closely with Core over the coming years.”

For individuals and IFAs wishing to order a prospectus for Core’s next fund, contact Brewin Dolphin Securities on 0845 213 3653. Alternatively, the prospectus will be available online later this year at www.Core-Cap.com

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Notes for editors

Core Capital LLP

Core Capital was set up to take advantage of the opportunity that now exists to invest in small to mid-size private companies, typically valued at £10 to £30 million. Core has £45 million funds under management and has completed 5 investments since starting its investment programme in 2005. Core does not charge a management fee and its members are the largest investors in the funds they manage, aligning their interests with those of investors and creating the right incentive to maximise returns.

Core Capital LLP is Authorised and regulated by the Financial Services Authority