

For immediate release



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Core Capital Plans New Structure to Maximise Shareholder Returns

Innovative approach combines £46.8m fresh capital to support largest portfolio companies' development via new LP fund with cash distribution to shareholders; remaining portfolio continues within the existing VCTs

Core Capital LLP ("Core"), the specialist private equity investor, has announced plans to create a new structure that maximises returns to shareholders in its VCTs and opportunities for its largest portfolio companies.

With the current Core VCTs (Core VCT, Core VCT IV and Core VCT V) fully invested, the firm examined ways for shareholders to best benefit in a situation where the largest companies within the investment portfolio require further capital to accelerate growth and execute business plans and appropriate exits. As debt was not considered a practical alternative and any third party equity investment would involve dilution, an alternative strategy involving new investors agreeing to invest in a new fund, Core Capital I LP, will be proposed at a general meeting to be held on 7 July 2011.

Under the proposal, six companies from Core's VCTs will be transferred to the new LP where new capital of £46.8m will be used to support the growth plans of each company and provide some liquidity for shareholders through the payment of a capital distribution of 10p per share.

The proposed transaction will reduce risk for existing shareholders because the portfolio companies will be fully and appropriately funded. Shareholders will also be able to participate in any upside on the same terms as new investors and will continue to benefit from the tax reliefs of the VCT structure.

Stephen Edwards, Managing Partner at Core Capital, said:

"We believe we have come up with the optimum solution that both supports fully the development of our portfolio companies and maximises returns for our shareholders."

Six of our largest investments have outgrown our VCT funds and need additional capital to support their growth. We have found an innovative way that achieves this and, at the same time offers shareholders better protection against risk, more upside potential and the benefit of an immediate 10p capital distribution when the transfer takes place.”

The six companies planning to be transferred to the new fund are Kelway Holdings Limited, Ark Home Healthcare Limited, Brasserie Bar Co. plc, Colway Limited, Better at Homes Limited and SPL Services Limited.

- Ends -

For further information

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Notes to Editors

Core Capital LLP was established in 2004 by Stephen Edwards and Walid Fakhry, and invests £5 - £20m into growth capital opportunities in a range of sectors. Core Capital LLP is authorised and regulated by the Financial Services Authority.