



28th September 2011

CORE CAPITAL EXITS ADAPT IN A £30M SALE TO LYCEUM

Core Capital has successfully exited its mezzanine investment in Adapt following the completion of a £30m acquisition backed by Lyceum Capital.

Total expected returns to Core VCT Plc for this mezzanine investment made in 2006 are in excess of 2.0x money and an IRR in excess of 19.0% per annum.

Adapt, a leading managed IT services provider, delivers enterprise-class cloud, infrastructure management, network and data centre services to a wide range of mid- market clients that operate business critical IT applications. It serves a broad client base, many of which are fast growth businesses including PKR, Cubic Transportation, Last.fm, LOVEFiLM and LCH.Cleartnet.

Core Capital's first investment in Adapt was in 2006 alongside co-investors, to initially back a management buyout led by then CEO, Peter Knight. Later on in 2007, Core further invested to support Adapts acquisition of Centric Telecom from Alchemy.

Since Core Capital's initial investment in 2006, Adapt has grown revenues from £7.8 million to £35.0 million with current EBITDA of £3.9 million. The business is headquartered in central London and employs over 100 people.

The transaction represents a successful exit for Core. Walid Fakhry, Partner at Core Capital, said: "The exit of our mezzanine investment in Adapt has provided an attractive return to our investors. The IT managed service space where Adapt traditionally operates is one in which Core Capital has significant experience and expertise. We remain committed to the IT Services space through our on-going investment in Kelway. Last year, both our IT Services investments appeared in the 2011 Deloitte Buyout Track 100 with Adapt appearing at number 61 and Kelway at number 16 of the fastest growing private equity backed companies in the UK."

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Notes for editors:

Core Capital LLP

Core Capital was established in 2004 and has over £100m of funds raised and under management. Core Capital invests £5 - £20m into growth capital opportunities in a range of sectors.

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