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For immediate release

CORE VCTS II & III OVERSUBSCRIBED AND CLOSE ON £33 MILLION

Core Growth Capital LLP announced today that Core VCTs II & III, launched in November 2005, have received applications significantly in excess of the £33m that the companies can raise and that the offers are now fully subscribed. This follows last year's successful fund raising of Core VCT I, bringing Core's total funds under management to £44m.

Walid Fakhry, Partner of Core Growth Capital, said: "The level of demand for the Core VCTs has been overwhelming. Our transparent model has attracted a new class of sophisticated investors willing to commit larger amounts and shows how the VCT scheme can be used to structure a more attractive investment product. The combination of no management fees and intelligent use of the VCT rules has allowed us to offer a unique structure that significantly reduces investor risk while greatly enhancing their upside potential."

Stephen Edwards, Partner of Core Growth Capital, added "Whilst it is clear that we could have raised substantially more funds this year, we have consciously chosen not to do so. This avoids the problem faced by the very large VCT managers who are forced to invest too quickly in too many unexceptional deals. Our investment approach is to be highly selective with a focus on fewer, larger investments where we can exercise effective control over our capital and generate the exits that will create the liquidity for our investors. With total funds available of £44m, we can now deliver on our investment approach."

Stephen Edwards continued: "We recently announced the £10 million MBO of Blanc Brasseries, in which the Core VCTs will invest £3 million and where we are placing the balance of the equity requirement with EIS investors. This is a good example of the larger transactions that we can structure, and in this case backing a successful management with whom we have worked successfully before."

Walid Fakhry concluded: “We will follow a similar VCT/EIS model in future deals to allow investors to co-invest with us, and we invite IFAs who wish to co-invest via this EIS route to register their interest with us early on.”

Core VCT II and III aim to:

Invest in well-established companies with a proven ability to generate cash, often with asset backing;

Focus on fewer investments, which will enable Core to select the best opportunities and devote time to assessing and managing investments actively.

Secure control as major investors, which will also give Core the ability to deliver an exit on the best terms for their investors.

Charge no annual management fees. The manager takes 30% of distributions above 60p, once the investor’s capital has been fully repaid (60p in distributions, 40p in tax relief). Until then the manager earns no management fee;

Provide a true alignment of interest between manager and investor – the managers themselves are committing £1 million, and receive no gains until the Funds perform.

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Notes for editors

Core Growth Capital

Core Growth 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 £5 to £25 million. Core has three principal partners – **Stephen Edwards**, who has an investment track record spanning over 12 years in the private equity industry, **Walid Fakhry**, a

successful entrepreneur and private equity investor, and **Caparo plc**, a leading private, UK based industrial group.

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

Independent Board of Core II and III

Peter Smail (Chairman) – a highly experienced private equity investor, and a Director of Dunedin Capital Partners until 2004. He is a non executive director of AIM Holdings plc and Portman Holdings Limited.

Lord Walker– has pursued an active business career and a distinguished career in British politics. He is currently Vice Chairman of Dresdner Kleinwort Wasserstein, Chairman of Allianz Cornhill Insurance plc, and a non executive director of Caparo plc.

Helen Bagan – has experience in corporate finance, private equity and investment trusts, latterly as Finance Director of ProVen Private Equity until 2003. She is a non executive director of PLUS Markets Group plc (formerly Ofex Holdings plc)