



26th April 2007

CORE VCTs IV & V CLOSE ON £21.7 MILLION

Core Capital, the specialist private equity partnership, announced today that they had raised £21.7 million for VCTs IV & V, in excess of their target £20 million. This brings Core's total VCT funds under management to £65 million.

Core Capital targets investments of between £2 and £8 million, in profitable growing SME companies in the UK, and has a long track record of backing successful businesses in this market segment. In the last twelve months, Core has completed 5 such transactions, and VCTs IV & V will continue this proven strategy.

Stephen Edwards, Partner of Core Capital, said: "We are pleased with the level of demand for Core funds, particularly this year in a tougher fundraising market. The transparency of the Core model, where we charge no management fees to our investors, together with our long track record continue to attract demand for our Funds. The structure of Core VCTs IV & V, targeting the "mezzanine" layer of the investment structure, significantly reduces investor risk whilst maintaining the upside potential of backing successful, growing UK SME businesses. It also allows Core to actively target investments of up to £8 million, which is where we believe the market opportunity is strongest."

Walid Fakhry, Partner of Core Capital, also added: "At Core, we have been consistent in our approach to raising new funds, avoiding raising more than we could invest without diluting our returns. Core IV & V continue this theme, and specifically target a slightly more secure layer of the funding structure. This allows us to invest alongside our existing VCT funds, but also enables us to invest alongside other private equity funds with whom we have worked for a long time. Much of our dealflow is derived from these longstanding relationships, which will benefit the returns of Core VCTs IV & V."

Core VCTs IV & V will aim to:

- **Invest in established companies, with proven levels of profit generation**
– often with asset backing, security or other fallback options;
- **Invest in a “mezzanine”, or “junior debt” position within the capital structure** – thus ranking ahead of the equity layer, reducing the risk profile of the investments;
- **Invest alongside existing Core funds, as well as alongside other private equity funds if appropriate, or in “sponsorless” transactions** – maximising the flexibility of the funds and levels of dealflow
- **Achieve a yield on all investments** – whilst maintaining the upside potential of capital gains on exit
- **Charge no annual management fees to our investors** – the Manager takes a 30% share of all profits, but nothing in the event that no profits are generated
- **Provide genuine alignment of interest between the Manager and Investor** – all Core VCT funds are structured on this “performance only” model. The Manager only shares in benefits achieved for Investors – NOT for asset gathering.

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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 £65 million funds under management and has completed 6 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