

Beringea Wins Government Backing for Digital Enterprise Capital Fund.

7 September 2009 – London: Beringea, a leading venture capital firm, has been awarded Government backing to establish and manage a new Enterprise Capital Fund. *Beringea Digital Ventures* will receive £20 million of Government funding, along with a further £10 million from private investors, which will be used to invest in growing UK companies that utilise digital platforms and technologies. The award was one of 2 ECFs announced by Capital for Enterprise today.

Enterprise Capital Funds have been established to increase the availability of growth capital for SMEs affected by ‘equity gaps’. Beringea Digital Ventures will focus on the growing digital sector - targeting growth capital investments of up to £2 million into companies that have the potential to provide a strong commercial return.

Beringea has over 20 years of media investing experience and has invested in nearly 100 UK businesses. The firm’s award-winning investment team currently manages two of the UK’s top performing Venture Capital Trusts –ProVen VCT and ProVen Growth and Income VCT.

Beringea has had proven success within the digital sector. Last year its investments in leading digital agency iLG Digital generated great returns for its investors. Portfolio company Espresso Education is the UK’s leading digital curriculum service and has seen exceptional levels of growth since the firm first invested in 2001 with the number of schools subscribing to its service increasing from 250 to over 10,000. In 2006 the firm’s investment in Mergermarket, the financial information provider, generated total returns of 14 times the original investment after the business had been successful in growing internationally.

Trevor Hope, Beringea's Chief Investment Officer commented:

"We are all aware of the initial impacts of digital media on traditional industries such as music, advertising and education, but we are still in the early stages of fundamental change. Innovation will continue and, importantly, it will encompass not just smarter technology or cool applications but also new consumption, pricing and distribution models. The UK continues to be a strong global force in the creative industries and the mission of the fund is to combine creatively strong UK digital businesses with robust business models which can be developed internationally.

I am delighted the Government has dedicated this funding and support to the commercial development of our UK digital businesses. Beringea has a proven track record in this sector and I am very pleased that we have been chosen to establish and manage this fund."

Commenting on this new ECF, Rory Earley, CEO and CIO of Capital for Enterprise Limited said:

"We have worked closely with Beringea over the past months and have been attracted by the team's depth of experience and strong track record in the media and technology sectors. Beringea is a highly successful VCT manager with a long history of supporting SMEs with their growth ambitions. We are delighted to support this fund."

For more information about Beringea Digital Ventures please contact:

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Notes to Editors:

About Beringea (www.beringea.co.uk)

Beringea is an international private equity firm with offices in London, Detroit, Los Angeles, and Shanghai. Beringea's funds invest in a range of small to medium sized companies with the potential for high growth and strong returns for investors. Beringea is the manager of funds Proven VCT, ProVen Growth & Income VCT, and Global Rights Fund II, amongst others.

Beringea launched its first VCT in 1996, making it one of the most experienced VCT managers in the UK. ProVen VCT and ProVen Growth & Income are the highest performing VCTs of their launch years, according to www.taxefficientreview.com.

About the Enterprise Capital Fund Programme (<http://www.capitalforenterprise.gov.uk>)

- The ECF programme is intended to address a long term structural weakness in the provision of risk capital for SMEs in the UK. Currently this gap is considered to be most severe in investments of under £2m.
- ECFs are commercial funds which bring together a combination of private and public money in order to support high growth businesses. The programme operates by providing gearing on private investments in the funds, in effect offering enhanced profits to private investors when funds are successful.
- This gearing is designed to offer investors returns at the same level they might achieve in later stage venture capital funds.
- The programme is designed to be cost neutral for the Government over the medium term and has so far proved successful in attracting high quality management teams to the equity gap.
- Capital for Enterprise operates a rolling programme for ECFs and only looks to award mandates to the best teams, who are able to raise the appropriate level of private capital and go on to make high quality investments.
- ECFs currently investing are: Seraphim Capital LP, Amadeus & Angels Seed Fund, Catapult Growth Fund, Sustainable Technology Fund, IQ Capital Fund, Dawn Capital, Oxford Technology Partners and MMC.

About Capital for Enterprise Limited (www.capitalforenterprise.gov.uk)

- Capital for Enterprise Limited ('CfEL') is an asset management business that designs, implements and manages finance measures to support Small and Medium Size enterprises ('SMEs') across the UK. CfEL is the largest single investor in UK Early Stage Venture Capital funds and manages guarantee programmes to support bank lending. With current investment commitments of over £365 million in 37 Venture Capital funds, together with its responsibility for the Small Firms Loan Guarantee scheme and the £1.3 billion Enterprise Finance Guarantee, CfEL has over £2.0 billion in commitments, assets and liabilities under management.
- CfEL commenced trading in April 2008 and is wholly owned by the Department for Business, Innovation and Skills ('BIS'). The business is managed by an independent Board of Directors, drawn from across industry and finance, and has 15 full-time expert staff as well retaining specialist consultants and other professionals as required.
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