

For immediate release

13th July 2005

CORE CO-LEADS ITS FIRST INVESTMENT WITH ELECTRA IN MA HUBBARD'S LIMITED

Core Growth Capital LLP, the Manager of Core VCT I plc, and Electra Partners, the Manager of the Electra Kingsway VCTs, have co-led a total investment of £9 million into Ma Hubbard's Limited. Debt facilities totalling £6 million have been provided by Bank of Scotland.

Ma Hubbard's was established by Andrew Wilson, who will remain as a director, and has 6 established units in locations around the East and North Midlands. The units are all freehold pubs, with a strong value for money food offering. In an innovative arrangement, the management of the pubs is handled by Honeycombe plc, which is able to pass on to Ma Hubbard's the benefits of economies of scale from its wider estate. Richard Simpson, an experienced leisure industry operator with 29 years experience at Whitbread plc, has been appointed as Chairman.

Stephen Edwards, Managing Partner of Core Growth Capital, and who also joins the Board of MHL, said "Having completed the closing of our first fund in June, we are very pleased to be making our first investment and putting our investors' funds to work quickly. This investment combines the ownership of attractive freehold assets in a leveraged structure to enhance our equity returns, and with the benefit of the management skills of a larger group in Honeycombe."

Nick Ross, Director of Electra Partners, said "We have supported investments in similar structures with Honeycombe on two previous occasions, and have developed a proven model separating the ownership and

management of assets. We believe that carefully selected freehold pub sites will continue to deliver good returns for investors."

Charles Stanley and Pinsents advised MHL, and Core and Electra Partners were advised by Wragge & Co.

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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 10 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 and is a full member of the BVCA.

Electra Quoted Management

Electra Quoted Management (EQM) is a wholly owned subsidiary of Electra Partners Group, the private equity specialist, with funds under management in excess of £600m. EQM manages, in addition to other funds, two venture capital trusts trading under the Electra Kingsway name. These trusts typically target investments in smaller unquoted companies in the funding range of £2 to £20m.

Honeycombe plc

Honeycombe is the AIM listed owner and provider of management services to a total of142 public houses in the North of England. This is the third agreement signed by Honeycombe to provide management services to VCT owned public houses.