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PENTECH VENTURES COMPLETES THE FINAL CLOSE OF ITS SECOND SOFTWARE INVESTMENT FUND

Pentech Fund II £45m software fund will back companies in UK and Ireland

Pentech Ventures, the leading UK software venture capital company, has raised £45m for its latest fund, Pentech Fund II, which will invest in companies across the UK and Ireland.

The Pentech fund will back businesses with global potential in the enterprise software, telecommunications software, Internet, mobile, and tech media sectors.

The fund closed above its original target, attracting strong support from existing investors, including European Investment Fund (EIF), Scottish Widows Investment Partnership, F&C Private Equity Trust plc, and Souter Investments, as well as several new European investors, including Alliance Trust, Innotech Laminvest and NESTA.

Eddie Anderson, Founding Partner of Pentech, commented:

"We are delighted that our existing backers have continued to support us, and that we have attracted excellent new investors to Fund II. This is a great endorsement of our approach: at Pentech, we use the extensive operational and technical expertise of our UK and US teams to identify companies with the potential to be globally successful, and we then work with these entrepreneurs to deliver on their ambitions. This second fund really confirms that Pentech is now one of the leading software investors in the UK."

Richard Pelly, Chief Executive of the EIF comments:

"We are excited about supporting Pentech Ventures II, having been also a significant backer of Pentech's first fund. The team has developed a specific and focused investment strategy and brings with it an attractive skill-set comprising entrepreneurial experience and investment skills together with strong ties into the growth markets in the US. This should provide the right ingredients to turn European technology into global success stories."

Raymond Abbott, Managing Director of Alliance Trust Equity Partners, comments:

"We have been impressed with the work Pentech has done in the past, and we believe they are becoming one of the UK's preeminent software investors. They have a strong niche focus with a real understanding of the technology they invest in, excellent links with Silicon Valley, and a strong blend of investment and operational experience - a combination which is pretty unique. There are great opportunities for software companies, and Pentech's expertise can help startups and established companies to succeed at a global level."

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Notes

Pentech Ventures

Pentech Fund I was launched in July 2001 to invest in early stage software companies in the UK and Ireland, and made 11 investments, three of which have exited, with the remaining portfolio at varying stages of development. Pentech Fund II was launched in November 2007, and will invest in UK/Eire companies in enterprise software, telecoms software, Internet, mobile, embedded applications, and tech media.

The Pentech Partners and Advisory Group Members have gained considerable experience in founding, developing and exiting software businesses, both in Europe and in the US, with a number of the Advisory Group team being based in the US. Pentech utilizes the wide experience of the team, together with our international network of industry contacts, to identify software opportunities with global potential, and to work with these companies to realize that potential.

The Pentech Fund is managed by Pentech Ventures LLP, and numbers the European Investment Fund amongst its investors. Pentech Ventures is regulated by the FSA. www.pentechvc.com

EIF

The EIF central mission is to support Europe's small and medium-sized businesses (SMEs) by helping them to access finance. The EIF designs and develops venture capital and guarantees instruments which specifically target this market segment. In this role, the EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

The EIF total commitment to Private Equity funds amounted to over EUR 4.5bn at end August 2008. With investments in over 290 funds, the EIF is a leading player in European venture due to the scale and the scope of its investments, especially in high-tech and early-stage segments.

The EIF commitment in guarantees totalled over EUR 11.6bn in some 190 operations at end August 2008, positioning it as a major European SME guarantees and securitisation actor and a leading micro-finance guarantor.

Since its activities began, the EIF has indirectly supported some 810,000 SMEs and has thus tremendously contributed to economic growth and development in Europe.



EIF's investment is partly funded by the European Union, through the Competitiveness and Innovation Framework Programme (CIP). Under the CIP, there is a EUR 1.1bn facility managed by EIF, which is split between Venture Capital and Guarantees. It covers the period 2007- 2013. CIP's objectives are to generate economic growth and create more jobs as well as boost productivity, competitiveness and innovation in the EU. The Financial Instruments optimise the use of European Union funds to support SMEs' access to finance.



For further information, please contact Delphine Munro - d.munro@eif.org, or visit EIF's website - www.eif.org

Alliance Trust Equity Partners

For further information on Alliance Trust Equity Partners, visit Alliance's website - www.atep.co.uk