

# **OXFORD CAPITAL PARTNERS**

## **Pi CAPITAL**

### **Press Release**

9 January 2008

#### **Europe's smartest investors team up to support enterprise** *Oxford Capital and Pi Capital announce strategic partnership*

A powerful new force of investment capital and expertise is emerging in the UK in the midst of the gloom of the recession. Oxford Capital and Pi Capital have announced their strategic partnership which brings together two of Europe's most powerful networks of High Net Worth and Family Office investors combining both their pool of capital and a wealth of business experience. Through this partnership some of the UK's best entrepreneurs will be able to access "smart capital", money and expertise, to support the growth of their businesses.

Representing a capital base of tens of millions of pounds built up over the past decade, coupled with the expertise and experience of business leaders from many sectors, this "super-network" has the possibility of energising many businesses. Whilst willing to work in close cooperation with government and related funds, it is a wholly private sector initiative.

Since many institutions and private equity funds are uncomfortable working with smaller businesses, and at a time when many former venture capital houses have abandoned working with early stage growth companies, this super-network is capable of decisive action and practical engagement in support of businesses confronted by opportunities but lacking necessary resources, whether capital or human.

Smart investors realise the need for patience in building successful businesses and are also interested in helping the bigger picture of the national economic effort. They understand that investing in businesses, including smaller ones, can be risky but they have the expertise and abilities to work with them. This is a new alliance for progress and potential support for a number of companies during these challenging times and can act as a catalyst for capital from other sources, both public and private.

This new strategic partnership brings the potential of both principals to enhance their contribution and support to growth companies in the UK at a time of unusual needs. Many companies are struggling to survive as they are starved of both debt and equity capital. At a time when fundraising is particularly difficult UK entrepreneurs will benefit from capital and intellectual knowledge and resources which this partnership offers. Oxford Capital has a deep technological understanding, investment experience and strong due diligence capabilities, while Pi Capital's

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members offer further business and financial acumen. Both organisations will be able to pool their resources to support aspiring businesses across the country.

“The UK has enormous potential and resilience” says Ted Mott, founder and chief executive of Oxford Capital, “and will emerge from the recession fitter and stronger than before”. David Giampaolo, CEO of Pi Capital concurs adding that “the breadth and depth of expertise and business acumen amongst our members is an extraordinary resource for the SME sector”.

Oxford Capital was founded in 1999 and has become one of the premier venture capital houses in Europe and with an extensive international network of high net worth investors. The firm specialises in commercialising emerging technologies and has won awards in recent years including Venture Capital House of the Year and Early Stage Investor of the Year. Oxford Capital is recognised for its operational expertise and for its ability to accelerate smaller businesses into international markets. Oxford Capital reviews more than 1,500 deals a year from all over the UK many of which may appeal to members of the Pi Capital network.

Pi Capital was founded in 1998 and manages a broad network of sophisticated, experienced and knowledgeable individuals from the worlds of finance and commerce many of whom invest in venture opportunities. Many Pi Capital members are willing to become actively involved in the businesses in which they invest, sharing their expertise in line management and corporate governance.

“This combination of capital, expertise and innovation” says Edward Mott, Chief Executive and Founder, Oxford Capital, “represents a powerful new force behind the re-invigoration of the UK economy. At a time of growing concern about the loss of established industries, whether in the manufacturing or service sectors, all initiatives which help to concentrate talent and resources to underpin economic growth will be welcomed,”

David Giampaolo, Chief Executive, Pi Capital notes that “Pi Capital’s diverse base of members includes many who have already made valuable contributions to businesses and we are delighted to partner up in this combination of skills and resources being made available in support of enterprise at this difficult stage of the economic cycle”.

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## NOTES TO EDITORS:

Founded in 1999 **Oxford Capital** is a wealth management firm specializing in private equity venture capital and working on behalf of institutional and private investors. Its focus is on emerging science and technology and its expertise lies in accelerating businesses with potential for high growth in global markets.

Oxford Capital currently oversees a portfolio of around 30 companies in a range of technology sectors, focusing on three super-growth themes: sustainability, healthcare and communications.. It invests across all stages of development, from start-up to IPO and it works with portfolio companies to enable them to access international markets in Europe, the US, Middle East and Asia.

The company pioneered a product in 1999 called the EIS Fund, by which wealthy private investors are able to participate in a diversified growth portfolio of technology-based emerging businesses and in the UK to benefit from the tax efficiency offered under the Enterprise Investment Scheme. The firm currently manages £40 million in the programme of ongoing Oxford Gateway EIS Funds. The Oxford Gateway EIS Fund No.5 was rated first out of five comparable offerings in the Tax Efficient Review – Issue 60 (December 2008).

Oxford Capital is located at the heart of Europe's largest agglomeration of scientific clusters. This region is renowned as a centre of excellence in the many new fields of science and applied technologies and is the base for numerous technology businesses, research institutions, laboratories, universities, scientists and entrepreneurs.

### Awards

- **Unquote Private Equity Awards 2005.**  
Winner: Venture Capital House of the Year
- **Enterprise Investment Scheme Association Awards 2006.**  
Winner: Best EIS Fund Manager
- **Investor Allstars Awards 2006.**  
Winner: Young Personality of the Year (David Mott)
- **The Private Equity Awards 2006.**  
Finalist: House of the Year
- **UK Technology Innovation & Growth Awards 2006.**  
Finalist: Early Stage Investor of the Year Award
- **Investor Allstars Awards 2005.**  
Finalist: Venture Capital Fund of the Year, Young Personality of the Year, and International Deal of the Year.

### Pi Capital

Pi Capital is a unique investor network that finds exciting growth equity and alternative asset investment opportunities for its members, and negotiates participation in select private equity deals

and funds. It allows individual investors to participate in transactions on an opt-in basis that are usually the exclusive preserve of institutions.

In addition to investment opportunities, Pi Capital offers its members a vibrant social and educational programme, holding expert speaker lunches, charity dinners, and arts and philanthropy events.

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**POSSIBLE DISCUSSION POINTS:**

1. During the current economic downturn many investors have seen value destruction in almost all asset classes. Many are now reviewing past investment decisions and looking for new investment opportunities. Serious investors are looking to diversify their portfolios to spread risks and to capture new potential in the post-recession world. They recognise the exceptional opportunities for sophisticated investment strategies as well as for the recycling of their talents.
2. There is a renewed interest in venture capital investing as a source of alpha to provide a growth element to portfolios. Sophisticated investors recognise the opportunity to capture value in today's market. It is possible to buy into good companies at substantial discounts to prices twelve months ago.
3. The combined membership base is close to 700 people, growing to around 1,000, a large number of whom have significant entrepreneurial, business and professional experience.
4. During recent years there has been a growth of angel networks which have formed small syndicates to back IT companies during the early internet era or to form property syndicates during the real estate boom. Both these strategies are no longer viable in an age when real creativity, application and patience are the features which underpin value creation in growing businesses.
5. The funds of funds model is also being challenged as being handicapped by a multi-tiering of fees and this is leading sophisticated investors to revert to more direct investing in growth businesses