

12/05/2005

### **Sovereign Capital announces final close on second fund**

Sovereign Capital, the independent UK lower mid-market private equity investor, has successfully closed its second fund, Sovereign Capital Limited Partnership II ("SCLP II"), at a hard cap of £275 million, just seven months from launch in late September 2004. SCLP II had a target of £200 million.

As with the previous fund (Sovereign Capital Limited Partnership I (SCLP I) £120 million, closed April 2002) commitments to SCLP II come from Sovereign Capital's strong existing network of investors in the US and Asia, together with new European investors which include Access Capital Partners, Danske Private Equity, Nordea Investment Management, Robeco Private Equity and Wilshire Associates Europe.

SCLP II will invest £5-20 million of equity in UK lower mid-market companies in exactly the same space as SCLP I. The majority of Sovereign's investments have been made in companies facing succession issues and have all, post-investment, been further developed through a combination of organic growth and focused buy-and-build and roll-out strategies; this will result in investments typically being held for a longer period than the private equity industry average.

Sovereign has established a strong reputation in support and business services, outsourcing, healthcare services, education, leisure and funeral-related businesses all of which have a strong service proposition.

Sovereign Capital has a team of 14 executives which includes the senior partners Peter Brooks (Managing Partner), Andrew Hayden, Ryan Robson and Michael Needley (Finance Partner).

Acanthus Advisers LLP acted as placement agent for Sovereign Capital in Europe, with Macfarlanes acting as legal advisers.

Peter Brooks, Managing Partner, commented

*"The pace of the fundraising and the level of interest it attracted is an endorsement of the drive, track records and investment ability of the senior partners and the quality and motivation of the entire Sovereign Capital team for what is only our second fund."*

*"Just one month after the launch, it was clear that appetite for SCLP II was strong; by final close it was considerably over-subscribed. Although we would have liked to have included all the LPs who wished to invest, it was simply not possible."*

*"Investors recognised that our strategy differentiates us, is successful, and will be strictly adhered to. We only invest in companies that meet specific criteria and apply the Sovereign Capital growth strategy to every deal. It sounds simple, but we are highly disciplined in our investment style. This has proved to be successful and we shall continue to apply this approach in SCLP II."*