

Demand takes off as FW Capital lends first £2 million to north west businesses**DRAFT**

FW Capital, the company which manages the North West Fund for Business Loans has invested over £2 million since the Fund launched in January 2011.

There has been no shortage of applications to the £35 million Fund from established businesses operating in a range of sectors throughout the North West. Interest has so far been strongest among businesses in Greater Manchester.

"We're delighted by how quickly the Fund has taken off and also by the quality of applications we're seeing," explains FW Capital Fund Manager, Gary Guest. "Many of the businesses coming forward are well-established and have traded through tough times before. They're taking a long-term view and using their ingenuity to grow their business."

FW Capital's £150,000 loan to household, health and beauty products manufacturer, Expac (Preston) Ltd took the Fund's investment total over the £2 million mark.

The loan will enable the Leyland-based family business to exploit new opportunities within the sector.

Expac's management team plans to relocate to larger premises, invest in its product range and drive operational efficiencies.

Mark Langtree, Expac's director said: "Since my father founded the company over 30 years ago, Expac has grown by identifying opportunities in new markets and working with household names to manufacture well-known products. FW Capital's loan will help us to continue this tradition."

Commenting on the loan, Gary Guest said: "Expac is a well-established company with a strong competitive advantage. Its shrewd management team knows its market well and has re-engineered the company so it's well-placed to exploit the £1.35 billion beauty and cleaning products market."

Expac was introduced to FW Capital by Gary Edgerton of Wigan-based accountants, Fairhurst, who commented: "Expac's relocation plans are a major step in the company's development and clearly required a particular

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type of funding. I knew about FW Capital's lending criteria and didn't hesitate in recommending it to Expac's management team."

Having established operations in Liverpool, Manchester and Preston, FW Capital's team has become part of the North West's corporate finance community.

Commenting on FW Capital's role in the North West, Guest said: "We've built up strong relationships with businesses and their advisers and this is now paying off. The banks have been a particularly strong source of referrals for us.

"We want to work with more banks as we have different lending criteria. The banks are finding that referring their clients to us for investment is a 'win win' situation."

"The banks and advisers who've already referred clients to us for investment are finding it's a 'win win' situation, so we're keen to work them even more in future."

Andy Leach, chief executive of the £184 million North West Fund which is financed by the European Regional Development Fund and European Investment Bank said: "Quote here".

Photo caption

TBC

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Notes to editors

The North West Fund

The North West Fund is a £185m evergreen investment fund established to provide debt and equity funding (from £50,000 to £2 million) to small and medium sized enterprises based in, or relocating to, the North West of England. The Fund addresses an identified gap in the lending, venture capital and private equity markets.

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The North West Fund is financed by the European Regional Development Fund and the European Investment Bank (EIB) under the European Commission's Joint European Resources for Micro to Medium Enterprises Initiative – otherwise known as the JEREMIE programme.

North West Business Finance Ltd (NWBF) is a private, not for profit company, established to oversee the delivery of The North West Fund.

FW Capital Ltd

FW Capital is a fund management company currently managing UK-based funds totalling £55 million.

In the North West of England, the company manages the £35 million North West Fund for Business Loans which is part of the £185 million The North West Fund. The North West Fund for Business Loans can invest from £50,000 to £250,000 in innovative viable SMEs.

FW Capital also manages the £20 million North East Growth Plus Fund, which is part of the £125 million Finance for Business North East Fund, investing between £350,000 and £1.25 million in a single round in established, revenue-earning businesses based in the North East of England.

FW Capital is part of the Finance Wales Group one of the UK's largest regional venture capital companies. The Finance Wales Group manages funds of more than £335 million and has invested over £200 million through more than 2600 investments.

For further information on FW Capital visit www.fwcapital.co.uk.

European structure, JEREMIE

The JEREMIE initiative offers EU Member States, through their national or regional Managing Authorities, the opportunity to use part of their European Union (EU) Structural Funds to finance small and medium-sized enterprises (SMEs) by means of equity, loans or guarantees, through a revolving umbrella fund. The initiative was developed by the European Commission (EC) and the European Investment Fund (EIF), which is part of the European Investment Bank (EIB) Group.

JEREMIE provides for a range of debt and equity financial tools to obtain the most appropriate allocation of funds according to national, regional or

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local requirements.

ERDF in the Northwest

The European Regional Development Fund (ERDF) is making a real difference to people and businesses in the Northwest. With €755 million to invest between 2007 and 2013, ERDF is enhancing the competitiveness of the region's economy by supporting growth in enterprise and employment. For further information on ERDF in the Northwest visit www.erdfnw.co.uk.

The European Investment Bank (EIB)

The EIB is the European Union's long-term financing institution and, provides long-term finance for capital projects promoting European economic objectives. The EIB made its first loan in the UK in 1973 and since then has lent around €75bn for investment in the UK economy. In the years from 2004 to 2009, the EIB financed investment in the UK totalling some € 23.5bn - GBP 17.5 billion.

The Northwest Regional Development Agency (NWDA)

The NWDA works to deliver economic success in England's North West by building the competitiveness of its businesses, people and places. Utilising technical expertise and strategic influence, it helps the region's 250,000+ businesses to develop and grow, as well as supporting international trade and encouraging inward investment.

For further information on the NWDA please visit www.nwda.co.uk.

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