

**PRESS RELEASE
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BaltCap is the leading independent private equity firm focusing on mid-market buyout and expansion capital investments in the Baltic States.

BaltCap has strong presence in all three Baltic countries with local offices and experienced team.

Since 1995, BaltCap has been managing 5 generations of 8 private equity and venture capital funds with total capital of over EUR 180 million and has made 39 investments out of which 24 have been fully exited. BaltCap Private Equity Fund established in 2007 with total capital of EUR 63m is actively investing in buyouts and later stage expansion cases on a pan-Baltic level.

BaltCap is a member of European Private Equity & Venture Capital Association (www.evca.eu), Estonian Private Equity and Venture Capital Association (www.estvca.ee), Latvian Venture Capital Association (www.lvca.lv) and Lithuanian Venture Capital Association.



Swedbank IPS, SEB Venture Capital and LHV have joined as investors of BaltCap Latvia Venture Capital Fund

New institutional investors Swedbank Ieguldījumu Pārvaldes Sabiedrība, SEB Venture Capital and LHV Varahaldus, joined as investors to BaltCap Latvia managed venture capital fund representing their trust in BaltCap and Latvian economy in general. The agreement with the investors was reached on April 28, 2010.

In total, BaltCap fund has attracted 7 private sector institutional investors (Parex Asset Management, Hipo Fondi, LKB Krājfondi, Pirmais Slēgtais Pensiju Fonds, SEB Venture Capital, LHV Varahaldus, Swedbank Ieguldījumu Pārvaldes Sabiedrība), which means that these investors would continue investing pension funds and other resources into the Latvian economy in the future, possibly in larger amounts.

Harijs Švarcs, Head of Swedbank IPS, „This is an exceptional opportunity for participants of our pension plans to earn together with fast growing and perspective Latvian companies. Thanks to BaltCap`s local market knowledge, experience as well as EIF`s financing, favourable conditions have been established for high investment return. This is an excellent example how EU`s structural funds in combination with local pension funds` financing can successfully facilitate growth of entrepreneurship in Latvia via developing competitive products and generating new working places.”

„We are pleased for the high interest attracted from investors to the BaltCap`s venture capital fund for financing of Latvian companies. In addition to EU structural funds we have managed to attract largest Baltic level pension fund managers, other institutional investors and high net worth individuals, which in our view shows investors` trust in future growth of the Latvian economy” says BaltCap partner Dagnis Dreimanis.

As communicated before, on January 22, 2010, BaltCap signed agreement with EIF, being the first venture capital fund manager to successfully complete private fundraising under EIF managed JEREMIE initiative in Europe, and the first structured venture capital fund raised in the Baltics since the crisis hit region. Within nearest years BaltCap will provide financing of 30m EUR to SME`s in Latvia.

20m EUR of available funds is EIF administrated Latvian JEREMIE Investment Holding Fund financing and 10m EUR was attracted from private sector investors. Fund will provide growth financing to existing companies with fast growth potential, taking equity stakes between EUR 0.3 - 3m. The aim of the Fund is to do 15 - 20 investments until the end of 2013.

Richard Pelly, Chief Executive of the European Investment Fund stated, "This is a hugely important transaction for the EIF and for Latvia. It is one of the first transactions in the European Union under JEREMIE initiative and comes as a result of excellent collaboration between the Ministry of Economy, BaltCap and the EIF to help enhance access to finance for Latvian SMEs."

„In the upcoming years up to 30m EUR would be available in investments to Latvian companies, majority of the fund being financed from EU structural funds. BaltCap managed venture capital fund offers opportunity for SME`s in Latvia to attract financing for their development, and availability of financing to local enterprises is a crucial factor for warming the economy and enabling long term growth.” says representative of Ministry of Economics Andris Liepiņš.

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