

## Press Release

NextFund Capital anchors its positioning in the « Growth Capital » segment

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NEXTFUND CAPITAL has anchored its positioning in the « Growth Capital » niche of Private Equity. The company has just launched its second fund NexTFund II dedicated to “companies with *technology drivers*”; the investment team targets Traditional companies where innovation drivers can boost the activity, Enterprises in the Service arena and last but not least Companies developing mature technologies. According to the management team, a first closing of € 20M should take place in early 2005. At final closing, this second fund would allow them to approach € 50M under management.

The NexTFund Team is based in Paris and received the regulatory approval of the French Autorité des Marchés Financiers in September 2004.

The strategy of this new fund is half way between traditional venture and LBO. NexTFund II is targeting the “Expansion Niche”, i.e. SME’s with revenues between € 2 and 20M.. Having reached break-even point, those companies often lack both the financial & human resources to scale their businesses and accelerate their development. NexTFund Capital Partners call this very phase the “Inflexion Point”.

The four Partners (Maurice Khawam, Jean-François Grenon, Gabriel Amiel and François-Pierre de Feydeau) aim at capitalizing on the operational and financial experiences they have acquired throughout their past careers. Their investment strategy is therefore characterized by a “hands in” approach; their regular involvement in the life of the portfolio companies is a determining feature of their strategy. This is why they target companies that belong to three investment sectors they intimately know and that have made them successful in the past.

“We are going to develop the same strategy as the one we applied with NexTFund I.” says Maurice Khawam, the Managing Partner of the fund. “We will invest in companies where the Management remains a majority shareholder, to help them grow. We think a minority position for us means more dynamism from the Management and allows for good exit conditions, if the terms of the exit have been properly defined soon enough”.

Services, in particular B2B, have always been one of the core targets of the Investment Team. But the latter is well aware that some very interesting opportunities can arise in the technology sector, and they analyze very carefully any project that aims at consolidating a niche positioning in that environment, through external growth for example.

As far as traditional companies are concerned, NexTFund looks for opportunities where the use of new technologies and innovations can create a change in the paradigm of their business model.

As an independent company, NexTFund Capital Partners has teamed up with institutional and family offices’ investors with which the team feels they have a common cultural background.

In the discreet world of French Private Equity, NexTFund is poised to a bright future...