

27 February 2008

designcapital plc

(“**designcapital**” or the “**Company**”)

ACQUISITION OF FRENCH DESIGNER FURNITURE MANUFACTURER

designcapital plc (“the Company” or “**designcapital**”) announces the acquisition of the entire issued share capital of Artelano S.A. (“Artelano”), the French designer furniture manufacturer, for €1.6 million (£1.2 million) payable in cash.

designcapital listed on London’s AIM market on 21 January 2008 with the intention of playing a key role in the consolidation of the designer furniture industry in Europe by making investments in luxury, contemporary design orientated companies with a particular focus on manufacturers and retailers of luxury furniture and design-enabled products and appliances. The acquisition of Artelano is an important first step in delivering this publicly stated strategy.

Information about Artelano

Artelano, which was founded in 1972, is one of the most prestigious French designers of high-end contemporary furniture and its collections include tables, chairs and sofas. Since Artelano’s creation it has worked in collaboration with internationally recognized designers including Patricia Urquiola, Piero Lissoni, Christophe Pillet, Olivier Gagnère, Austrian studio Eeos, Marco Zanuso Jr., Eric Gizard. Artelano is renowned for bringing a creative mix of flair to these collections (www.artelano.com).

From its Paris head office, Artelano currently sells 16 per cent of its products internationally, through over 100 distribution retail outlets in the US, China, Germany, UK and France. Artelano has also a sizeable contract business, and it is famous for the design and furnishing of Air France’s airport business lounges in France.

The founder of Artelano, Samuel Coriat (68), will step down from the board of Artelano with immediate effect but will remain as an exclusive consultant to Artelano in the area of creativity and design for an initial period of twelve months.

According to the French national survey institution Ipsos, Artelano is the 5th best known high-end designer furniture brand in its domestic market, out of all international furniture companies.

As at 30 September 2007, Artelano had gross assets of approximately €1.9 million (£1.425 million) net debt of €400,000 (£301,493) and net assets value of €230,000 (£172,500). Artelano made a loss before tax of approximately €17,000 (£12,700) for the year to 30 September 2007, on a turnover of approximately €3.4 million (£2.5 million).

Expansion strategy

Artelano's products are already available through a number of independent retail outlets, including Liberty in the UK.

Following the acquisition of Artelano, designcapital intends to significantly increase Artelano's international sales through a combination of increasing retail distribution outlets and opening its own shops in a number of cities.

The Company plans to open an Artelano shop in London shortly. With 300,000 French citizens in the London area, the UK's capital has one of the highest concentrations of French people outside of France - which Artelano intends to primarily target.

Frederic Bobo, Executive Chairman, designcapital plc, commented:

"The acquisition of Artelano is key to designcapital's growth strategy in the French market, and reflects our first move in the on-going consolidation of the high-end global designer furniture industry.

"We are delighted that Samuel Coriat has accepted to remain an advisor to the company he created and nurtured. His experience and vision of the designer furniture industry is unique, and we look forward to working with him.

"We continue to look for other acquisition opportunities with the objective of generating synergies throughout the Company. We are well placed to take advantage of this fast growing but highly fragmented industry."

For further information:

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