

11 November 2010

designcapital plc (AIM: DESC)
(“designcapital” or “the Company”)

**Placing to raise £190,000
&
Opening of London Showroom**

Following strong trading in its French operations during the final months of 2010, Designcapital plc (AIM: DESC) is pleased to announce its expansion into the lucrative English market.

The AIM listed investment company dedicated to high end contemporary furniture design, has raised £190,000 through a placing of 1,727,272 new ordinary shares of 10p each (the “Placing Shares”) at a price of 11 pence per share (the “Placing”). One warrant to subscribe for one new ordinary share has been issued with each new Placing Share issued at the placing price of 11 pence. In addition 149,545 new ordinary shares have been issued at a price of 11 pence to trade creditors in settlement of amounts payable of £16,450. The net proceeds of the Placing will be used entirely to expand the Company’s operations: both to purchase the lease on designcapital’s first showroom outside of Paris and to enable the Company to equip the showroom up to the highest standards. The showroom is expected to open in February 2011 for the Artelano brand owned by designcapital.

Located in Dover Street in the heart of Mayfair, London, the showroom will sell products designed specifically for Artelano (the internationally acclaimed and leading French design company of contemporary furniture founded in 1972 and since 2008, a subsidiary of designcapital), by such internationally recognised designers as Patricia Urquiola, Piero Lissoni, Christophe Pillet, Shin Azumi and Eric Gizard along with more recent “signatures”, such as, Ora Ito, Francesc Rifé and Patrick Naggar.

Artelano will initially target the French ex-patriot and professional community living in London, which has the largest population of French nationals outside of Paris. Such clients are continuing to buy from luxury, contemporary design orientated companies such as Artelano, and demand, whether it stems from ex-patriot relocation, the need to furnish a second home or apartment in London, or from the collectors’ desire to improve a collection, appears undiminished, despite the current economic climate. AltaGamma, the trade association for the Italian luxury industry, has estimated recently that the growth rate of the high-end “design” segment of the furniture market, is expected to rise by 6-8% per annum over the next few years.

As well as looking to sell product into the affluent and 'high net worth' markets of London and the South East of England, the Company intends to expand its already well-established Parisian contracts business, Forum Diffusion, into the UK to offer consultancy services and supply high end contemporary furniture into the commercial market.

In Paris, Forum Diffusion, founded in 1977, advises and sells to a wide range of private and public clients, such as the Assemblée Nationale, Opéra Bastille, Ministère de la Culture, Palais de Justice, Richemont, France Telecom, Deutsche Bank, Suez-Lyonnaise, ABN AMRO and most recently the Ministry of Foreign Affairs among others. The directors of designcapital believe that a not dissimilar customer-base can be secured by the business in the UK, in part owing to the Dover Street showroom and the Company's ability to display product in front of potential vendors.

The Placing Shares have been conditionally placed by Rivington Street Corporate Finance ("Rivington Street"). Application has been made to London Stock Exchange plc for 1,876,817 new ordinary shares ("New Shares") to be admitted to trading on AIM ("Admission"). Subject, inter alia, to Admission of the New Shares becoming effective, dealings in the New Shares are expected to commence on AIM at 8.00 a.m. on 17 November 2010. The New Shares represent approximately 2.96 per cent. of the Company's existing issued share capital and will, when issued, represent approximately 2.87 per cent. of the Company's enlarged share capital. Following Admission, the Company will have 65,300,847 ordinary shares of 10p each in issue.

Frédéric Bobo, Executive Chairman, commented:

"We are delighted to open and launch our Dover Street showroom, which we see as a key stage in our growth strategy. The showroom provides a superb opportunity to demonstrate how designcapital can unlock and exploit markets such as London, as the first outside Paris in a number of major cities across Europe, with the objective of quickly becoming a major pan European, design focused investment group."

"We are very pleased with the growth in sales that we are experiencing in our Paris-based businesses and we are confident of achieving the same growth in the UK. As we accelerate and develop our growth strategy, we will continue to seek acquisitions and investment opportunities across a number of European markets, where we believe designcapital has the ability to help those acquired businesses to achieve scale, build brand value and strengthen distribution networks."

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