

11 June 2010

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

**Restructuring update**  
**Bridge loan facility**

designcapital, the designer furniture investment company, is pleased to provide an update on the Company’s corporate restructuring process. Further to the Company’s unaudited consolidated results for the six months ended 30 June 2009, as announced on 30 September 2009, the Company’s two French subsidiaries, Forum Diffusion and Artelano (together, the “French Subsidiaries”), continue to be subject to an observation period granted by the French court (the “Court”) in August 2009. An important step required to enable the Court to grant the Company a “plan de continuation”, thus allowing the Company to regain control of the French Subsidiaries, is a demonstration of the Company’s immediate ability to meet the short term working capital requirements of the French Subsidiaries.

As a result, the Company has entered into a bridge loan agreement with Luxadvor SA (“Luxadvor”), a 36.77 per cent. shareholder of the Company (the “Agreement”). The Agreement is in respect of a short term secured loan of up to €785,000 to the Company for the purpose of satisfying the Court’s requirement in relation to the working capital requirements of the French Subsidiaries (the “Loan”). The Loan, which will be available until 15 July 2010, accrues interest at a rate of 12 per cent. per annum and any amounts drawn down will be repayable on or before 15 July 2010. The Loan is secured against the French Subsidiaries and Frédéric Bobo, the Company’s Chairman and Chief Executive, has provided a personal guarantee to Luxadvor in relation to the Loan.

The Company is also close to finalising a transaction which would, if completed, secure the required long term working capital for the French Subsidiaries and allow the Company to repay the Loan. The directors of the Company are confident that this transaction will be completed shortly and will provide an appropriate update in due course.

As Luxadvor is a substantial shareholder of the Company, the provision of the Loan is deemed to be a related party transaction under the AIM Rules for Companies. Accordingly, the independent directors of the Company, being all of the Company’s directors save for David Henderson-Stewart, who is also a director of Luxadvor, consider, having consulted with Strand Hanson Limited, the Company’s Nominated Adviser, that the terms of the Loan are fair and reasonable insofar as the Company’s shareholders are concerned. In providing its advice, Strand Hanson Limited has taken into account the independent directors’ commercial assessments.

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