

17 June 2008

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

Preliminary Results for the period ended 31 December 2007

designcapital plc, the designer furniture investment company, announces preliminary results for the period ended 31 December 2007.

Highlights

- Company admitted to AIM in January 2008
- First acquisition of French designer of high end contemporary furniture Artelano in February 2008
- Second acquisition of Forum, a Paris based retailer of designer furniture in April 2008

Frederic Bobo, Executive Chairman of designcapital plc, said:

“Having been listed in January with the intention of playing a key role in the consolidation of the designer furniture industry in Europe, we are delighted to have made our first two acquisitions. It is our stated intention to make investments in luxury, contemporary design-orientated companies with a particular focus on design brands and retailers. We will continue to look at other opportunities in the designer furniture sector throughout Europe.”

Contacts

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EXECUTIVE CHAIRMAN’S STATEMENT

I am pleased to present the Company’s first Report and Financial Statements since incorporation and since its admission to AIM which took place on 21 January 2008.

During the period between incorporation in June 2007 and 31 December 2007, there has been no commercial activity although in this period the Company researched its market and developed a strategy to secure a key role in the consolidation of the designer furniture industry in Europe. Since joining AIM, it has moved quickly to implement this strategy by acquiring Artelano s.a. in February 2008 and the Forum companies in April 2008.

Acquisitions

Artelano, a well known French designer, retailer and brand, was acquired for €1.6 million (GBP1.2 million) payable in cash.

Artelano was founded in 1972 and is one of the most prestigious French designers of high end contemporary furniture. Since its creation it has worked collaboratively with internationally recognised designers including Patricia Urquiola, Piero Lissoni, Christophe Pillet and Olivier Gagnère bringing a creative mix of flair to these collections and many others. It currently sells 17% of its products internationally, through 100 retail outlets in the US, China, Germany and UK.

Artelano's products are available through the European Design Centre (EDC, London) and other retailers in the UK. Following the acquisition, designcapital intends to significantly diversify Artelano's product range and increase its international sales through a combination of increasing retail distribution and the opening of its own shops in a number of cities including London where, with 300,000 French citizens, it has the highest concentration of French people outside France and is an obvious market to target.

Forum Diffusion and Forum Developpement ("Forum"), a Paris based supplier of designer furniture was acquired for a nominal cash consideration.

Forum was founded in 1977 and has built a strong reputation in the French market with a turnover of €15m, supplying designer furniture to private and corporate clients, for both home and office. The Forum business operates from a 1,200 square meter showroom, the largest of its kind in Paris.

Forum advises, designs and completes the fitting out of premises for businesses, public places and for private clients.

Its clients are often high profile and have included the Assemblée Nationale, Opéra Bastille, Musées Nationaux, Ministère de la Culture, Palais de Justice, France Telecom, Deutsche Bank and Suez-Lyonnaise, ABN AMRO, amongst many others.

Since the acquisition, work has been undertaken within Forum to strengthen the sales force and to re-organise its operations in order to reduce its cost base. Economies of scale are being created by combining the administration, sales and marketing, and accounting functions of Forum and Artelano. The information systems of both businesses will also be combined and the Forum showroom in the centre of Paris will be used to increase sales of Artelano's products.

Outlook

It is our intention to quickly build a solid business platform to capitalise on the on-going consolidation of the high-end global designer furniture industry. Whilst implementing our growth strategy for our first two acquisitions, we will continue to seek other acquisition opportunities in the designer furniture sector, including premium brands and retail outlets across European markets, where the directors remain convinced that the Company has the ability to help them achieve scale, build brand value and strengthen their distribution networks.

Frederic Bobo
Executive Chairman

16 June 2008

INCOME STATEMENT
Period 22 June 2007 to 31 December 2007

	2007 £
Continuing Operations:	
Revenue	-
Cost of sales	-
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Gross Profit	-
Administrative expenses	(360,626)
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Operating Loss	(360,626)
Finance costs	(1,000)
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Loss before taxation	(361,626)
Corporation tax	-
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Loss for the Financial Period on Continuing Operations	(361,626)
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Loss for the Financial Period attributable to equity holders of the Company	(361,626)
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Loss per Share for Loss from Continuing Operations attributable to the equity holders of the Company	
Basic (expressed in pence per share)	(90.8)
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BALANCE SHEET
At 31 December 2007

	2007 £
Current Assets	
Trade and other receivables	40,284
Cash and cash equivalents	149,575
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Total Assets	189,859
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Current Liabilities	
Trade and other payables	501,485
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Total Liabilities	501,485
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Capital and Reserves attributable to Equity holders of the Company	
Called-up share capital	50,000
Retained earnings	(361,626)
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Total Equity	(311,626)
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Total Equity and Liabilities	189,859
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STATEMENT OF CHANGES IN EQUITY
Period 22 June 2007 to 31 December 2007

	Share Capital	Retained Earnings	Total
	£	£	£
At 22 June 2007	-	-	-
Issue of ordinary shares	50,000	-	50,000
Loss for the period	-	(361,626)	(361,626)
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At 31 December 2007	50,000	(361,626)	(311,626)
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COMPANY CASH FLOW STATEMENT
Period ended 31 December 2007

	2007 £
Cash Flows from Operating Activities	
Loss before taxation	(361,626)
Increase in trade and other receivables	(40,284)
Increase in trade and other payables	351,485
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Cash used in Operations	(50,425)
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Cash Flows from Financing Activities	
Proceeds from issue of share capital	50,000
Deposit for subscription of share capital	150,000
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Net Cash from Financing Activities	200,000
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Net Increase in Cash and Cash Equivalents	149,575
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Cash and Cash Equivalents at End of Period	149,575
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1. Summary of Significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with EU-endorsed International Financial Reporting Standards (IFRS), IFRIC interpretations and the parts of the Companies Act 1985 applicable to companies reporting under IFRS. The Financial Statements have also been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgement in the process of applying the Accounting Policies. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates.

At the date of approval of these Financial Statements the following standards and interpretations were in issue but not yet effective:

IFRS 8 "Operating segments"

IFRIC 11 "IFRS 2 – Group and treasury share transactions"

IFRIC 12 "Service concession arrangements"

IFRIC 13 "Customer loyalty programmes"

IFRIC 14 "The limit on a defined benefit asset, minimum funding requirements and their interaction"

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the Financial Statements of the Company, except for additional disclosures on segregated results, when the relevant standard comes into effect for periods commencing on or after 1 January 2008.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank demand deposits.

Taxation

Current tax is the tax based on the taxable profit/(loss) for the period.

Deferred tax is provided where material in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss. Deferred tax is determined using tax rates and laws that have been substantially enacted by the Balance Sheet date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward, and other tax credits to the Company, are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial Instruments

The financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Risk Management

Financial Risk Factors

Risk management is carried out by the board of Directors. The board identifies, evaluates and manages financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and investment of excess liquidity.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro. Foreign exchange risk arises from future commercial transactions denominated in a foreign currency. The Company maintains bank accounts in these currencies to reduce its exposure to this risk.

The Company has interest-bearing assets. Interest-bearing assets include only cash balances, all of which earn interest at a variable rate.

2. Publication of non-statutory accounts

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. Statutory accounts for 2007 will be delivered to the Registrar following the Company's Annual General Meeting. The Independent Auditors have reported on these accounts. Their report was unqualified and did not contain statements under section 237(2) or (2) of the Companies Act 1985.

3. Other information

The report and accounts for the year ended 31 December 2007 will be posted to shareholders shortly and laid before the Annual General Meeting to be held at 55 Rue Pierre Demours, 75017 Paris on 16 July 2008 at 12.30 p.m.

Copies will also be available via the website (www.designcapitalplc.com) in accordance with AIM Rule 26 and at the Company's registered office, 634 Linen Hall, 162 - 168 Regent Street, London W1B 5TG.