

16 May 2016

CAPITAL FOR COLLEAGUES PLC
(‘Capital for Colleagues’ or the ‘Company’)

PORTFOLIO UPDATE

Capital for Colleagues, the investment vehicle focused on opportunities in the Employee Owned Business (‘EOB’) sector, is pleased to announce an update regarding its existing investee company, Ecomerchant Natural Building Materials Limited (‘Ecomerchant’).

Ecomerchant, a specialist supplier of natural and environmentally sustainable building materials to the UK housing market has agreed to acquire Eco Systems Distribution Limited (‘Eco Systems’). Based in, East Sussex, Eco Systems distributes recycled plastic roof slates and recycled plastic composite decking, principally in the UK and Europe. Eco System’s customers range from small, independent roofing companies to multinational construction and design companies.

In order for Ecomerchant to acquire Eco Systems and settle certain of its obligations, Capital for Colleagues has subscribed for £150,000 of loan notes issued by Ecomerchant. The loan notes, which are secured on Ecomerchant’s assets by way of mortgage debenture and cross-guaranteed by Eco Systems, bear interest at an appropriate commercial rate and are repayable in 2020.

John Eckersley, Chief Executive of Capital for Colleagues, said “We are extremely pleased to be able to assist one of our existing investee partners with this next step in their development. This illustrates well how we aim to be an ongoing provider of capital to EOBs, thus enabling them to react to market opportunities at short notice and thereby enhancing value not just for our own shareholders but for their own employee shareholders too.”

The Directors of the Company are responsible for the contents of this announcement.

****ENDS****

For further information, please visit www.capitalforcolleagues.com or contact:

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Notes

Capital for Colleagues is an investment company focused on the Employee Owned Business ('EOB') sector. The Company has a clear strategy aimed at investing in, advising and growing established, mainly UK-based, EOBs as well as assisting companies which are looking to launch employee ownership schemes, providing the capital and advice to help them achieve their objectives.

Capital for Colleagues has a proven management team, with a wide network of contacts and affiliates, as well as established access to investment opportunities, enabling the Company to execute its strategy and identify and capitalise on EOB-focused investment opportunities.