

PRESS RELEASE

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Corven Ventures acquires Caterham Cars

13 January 2005, Corven Ventures, the private equity arm of the consulting and corporate finance firm Corven Group, is pleased to announce the successful acquisition of Caterham Cars for an undisclosed sum.

Caterham is the pre-eminent racing car brand in its class, offering an affordable product to customers seeking not only track day capability, but also a road legal vehicle. The company's heritage stems from the legendary Lotus 7 racing car, but Caterham has traded successfully as a fully independent business for over 30 years. The company now sells more than 500 cars a year with a turnover in excess of £15 million.

In October 2004, Caterham launched the exciting new CSR variant which sees the long-awaited return of Cosworth to the road car market after a ten-year absence with two bespoke, high performance engines. Following a threefold increase in the track market over the past 5 years, Corven are looking forward to supporting the business as it puts the new car into production to meet an overwhelming response and strong order book both in the UK and in export markets.

The acquisition, backed by Corven led equity, will bring sector experience to compliment the existing management team and take Caterham forwards along with changing customer requirements whilst enhancing profitability.

Management will be led by ex Lotus Cars General Manager, Ansar Ali who is joined by another ex Lotus Cars manager Gideon Wigger as Operations Director. With over 10 years of automotive experience, James Basden (founding Director of Corven) and Mark Edwards (Director of Corven Ventures) will join the board as Non-Executive Chairman and Non-Exec Director respectively.

Mark Edwards commented, "This is a core acquisition for Corven Ventures, bringing together a world class management team, experience in niche businesses and the ability to couple financial and human capital to support complex transactions".

Lead financial advisors on the deal were Corven Corporate Finance and lawyers were Osborne Clarke. Banking facilities were provided by HSBC and due diligence was provided by Moore Stephens.

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For further information

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About Corven

Corven is an international advisory and private equity firm consisting of:

Corven Consulting

Global management consulting based out of Europe and North America

Corven Corporate Finance

UK mid-market deals up to £250 million

Corven Ventures

UK private equity investments up to £20 million enterprise value

For more information, please visit www.corven.com

About Caterham

Founded in 1973, Caterham is the pre-eminent racing car in its class. Caterham offers affordable performance on both the road and the track. Caterham currently produces four variants of the Caterham7 whose heritage stems from the legendary Lotus 7 racing car: the Classic, the Roadsport, the Superlight and the CSR, arguably the fastest road-legal car in production. Racing is at the heart of Caterham tradition and Caterham Motorsport has become one of the most successful forms of club racing the world over. There are now 11 Caterham championships in five countries.

Caterham Cars employs over 70 employees in 3 operational sites across the country producing in excess of 500 units a year sold in the UK, Europe, North American and Japan. Turnover is in the region of £15 million.

For more information, please visit www.caterham.co.uk