



Galileo Capital Management launches LGBT Capital

- **Corporate Advisory Service launched for LGBT companies**
- **Preparing to launch Investment Fund focused on LGBT consumer market**

London & Hong Kong, 2nd February 2010. Galileo Capital Management today announces the launch of LGBT Capital, a specialist Corporate Advisory and Investment Management Unit focused on the LGBT consumer market.

LGBT Capital provides corporate advisory and business development services for companies that serve the LGBT consumer sector. In addition, LGBT Capital is preparing to launch a Fund that will invest in companies worldwide that provide products and services to the LGBT community.

The power of the 'pink dollar' is now well understood by mainstream global marketers. LGBT Capital believes that as LGBT freedoms continue to develop, growing LGBT companies will increasingly look to raise capital, merge and acquire, which will require specialist advice and capital raising options.

LGBT Capital has met with a significant number of LGBT business owners and managers and found that many plans do not come to fruition due to the lack of professional business development advice available and the shortage of advice on how to access external investors. This is partly because many LGBT-oriented companies were originally established with a degree of secrecy and without the financial support otherwise available to start-up companies.

"LGBT-oriented business owners often have the desire to expand but also frequently lack the expertise, correct capital structure or know-how to access funding" said Paul Thompson, co-founder of LGBT Capital. "We believe there is a significant opportunity to provide the financial expertise typically found within an investment banking context to LGBT companies, which in turn would allow quality companies to secure funding".

"A LGBT oriented resort was up for sale recently but despite many parties expressing interest, sufficient capital could not be raised by any one company or investor on their own" Paul Thompson said. "There is huge interest from investors to be part of the growth in the LGBT market but without concentrating risk in just



one or two investments. The Fund we are preparing will provide a diversified portfolio of investments, both geographically and by business sector, in order to satisfy this investor demand”.

A survey commissioned by Galileo Capital Management in December 2009 and carried out by Iliad, the LGBT business networking organisation, among members of the London LGBT business community found that 80% of LGBT companies believe there is insufficient specialist advice on capital raising and structure as well as M&A.

The survey highlights significant suppressed and unmet demand for investment banking and business development advisory services to LGBT companies. Of the respondents, 80% of LGBT companies require capital for expansion, 100% of LGBT companies have expansion plans including expansion outside of their current scope/geography and 100% of LGBT companies would consider mergers, acquisition and third party investment.

The survey also found 100% of potential investors in LGBT companies did not proceed with their investments, with 80% citing inadequate funding and capital structure as the main reason.

LGBT Capital’s principals Anders Jacobsen and Paul Thompson have over 40 years combined experience in the investment management sector with distinguished track records in global investment managers including Goldman Sachs, Prudential Financial, Inc., Bankers Trust and Chase Manhattan Bank as well as a unique knowledge of the LGBT sector. Between them they have advised numerous mutual, private equity, venture capital and hedge funds on their establishment and launch, as well as provided growth and development strategies for existing investment funds.

“We expect there to be a significant increase in LGBT-oriented companies in the developing markets, coupled with greater openness within the developed markets. This will provide significant opportunities for corporate activity, including cross-border investment opportunities requiring industry specialists”, said Paul Thompson, the former first foreign CEO of a mainland China fund management business.

Anders Jacobsen observed that “there appear to be some very interesting combined investment and advisory opportunities, notably where relatively mature companies are looking to expand into developing markets such as China”.

LGBT Capital has operations in Europe and Greater China and a team of advisors with global coverage. LGBT Capital is committed to working with quality LGBT-oriented companies and to supporting the liberalization of LGBT freedoms,



combining private sector investment approach and expertise with philanthropic support.

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About LGBT Capital

LGBT Capital is a specialist Corporate Advisory and Investment Management Unit of Galileo Capital Management focused on the LGBT consumer market with operations in the UK and Greater China. LGBT Capital provides corporate advisory and business development services, as well as investment management for a Fund it is preparing to launch focused on the LGBT consumer sector.

<http://www.LGBT-Capital.com>

About Galileo Capital Management

Galileo Capital Management was established in 2009 to manage bespoke investment fund concepts. In addition, the firm provides advice on set-up, structuring and capital raising for third-party mutual, venture capital, private equity and hedge funds, and specific investment services relating to Greater China. Galileo Capital Management has operations in London and Hong Kong, and has arrangements with senior professionals covering all key geographies globally.

www.galileo-group.co.uk