



‘Capital isn’t scarce; vision is’

Sam Walton

Chief Executive's Letter



“We are continuing to build the business”

Welcome to the first edition of Vision Capital's newsletter

Welcome to the first edition of Vision Capital's newsletter which aims to keep our growing community of friends and partners updated on all the activity which is happening across the business.

2010 has been an interesting year and the first in which we have made new investments since the crisis, notwithstanding continued economic and financial uncertainties. We are delighted to have completed the acquisitions of Nordax Finans and Terphane, both businesses with outstanding prospects to which we are bringing our expertise and support. Unusually for us, both transactions were single company deals and not portfolios.

As ever, there is continued focus on active management of our portfolio companies to ensure that they all have a clear, focused strategy for growth in the new environment. This year has seen a significant increase in new deal activity for us, as a number of financial institutions, private equity firms and corporations are exploring with us how their strategic objectives can be fulfilled or accelerated by creating a transaction together.

You may already have seen that we have expanded our operations in the US and recently opened an office in New York. We have invested in the Americas since 2004 and have three existing portfolio companies in the region, now joined by Terphane. The new office will enable Vision Capital to support its investments in the Americas more fully, and contribute to the development of new investment opportunities and to promote ever closer relationships with our American investors.

Throughout the crisis we have continued to build the firm, and 2010 has been no exception. I want here to acknowledge the hard work of all our colleagues and business partners in contributing to our growth. In particular, I want to congratulate everyone in the team who won a promotion this year and warmly welcome all our new colleagues on both sides of the Atlantic.

I very much hope you enjoy this first edition of the newsletter and as we refine future editions, your feedback would be most gratefully received.

With very best wishes,

A handwritten signature in black ink that reads "Julian P.V. Mash". The signature is written in a cursive, slightly slanted style.

Julian PV Mash

New Investment: Nordax



nordax®
FINANS



Nordax head office:
Stockholm

75,000
customers

€500m
loan portfolio

The first investment for Vision Capital Partners VII

Acquisition of Nordax Finans from Palamon

The first investment for Vision Capital Partners VII was announced in April 2010; the acquisition of Nordax Finans ("Nordax") from Palamon Capital Partners.

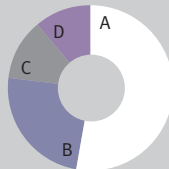
Nordax provides unsecured loans to individuals of good credit standing across the Nordic region and operates in Sweden, Norway, Denmark and Finland. Nordax was established as a start up in late 2003 by an experienced management team of five principals led by CEO Morten Falch and has been built into one of the leading unsecured consumer loan and savings businesses in the Nordic region.

We are looking forward to working with the management team to build the business in the coming year.

For further information please visit
www.visioncapital.com/portfolio.

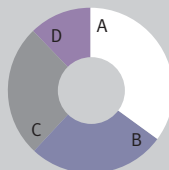
Vision Capital Partners VII Update

Investors by type



- A Funds of funds (53%)
- B Pension scheme (24%)
- C Financial Institution (12%)
- D Endowment (11%)

Investors by geographical location

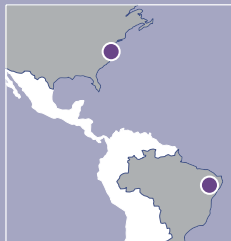


- A Transatlantic (35%)
- B US (27%)
- C Europe (26%)
- D Middle East & Asia (12%)

New Investment: Terphane



A further investment in the Americas



Terphane plants:
Bloomfield, USA
Pernambuco, Brazil

US\$93.4m
2009 sales

40,000
tons of installed
capacity

Acquisition of Terphane

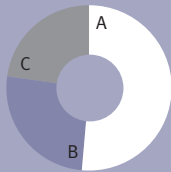
The second investment by Vision Capital Partners VII was announced in September 2010; the acquisition of Terphane from a syndicate of financial investors.

Terphane is the market leading producer of thin polyester films in South America with a growing niche position in the United States. In both markets, the films are predominantly used to supply the global food packaging industry and have benefited from the trend towards more speciality value-added films being used in products such as metalised food pouch containers and yoghurt lids.

We are looking forward to working together with the management team to enable them to continue to deliver innovative packaging films expertise.

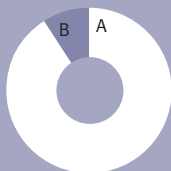
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Terphane Analysis



Sales by Geography (2009)

- A Brazil (52%)
- B Latin America (26%)
- C North America (23%)



Volume by Product Type (2009)

- A Food & others (91%)
- B Industrial (9%)

Congratulations



Our People

We seek sustained exceptional standards of individual performance and teamwork. We have actively developed an open, supportive and dynamic environment that fosters, recognises and rewards high performance. During the first half of the year we have made a number of promotions and new appointments:

Promotions

At the beginning of January, we were very pleased to announce the promotion of Andrew Rich to Partner and the promotions of Christophe Browne and Daryl Cohen to Principal. On behalf of Vision Capital, I would like once again to congratulate Andrew, Christophe and Daryl on their well deserved promotions.



Andrew Rich



Christophe Browne



Daryl Cohen

Associate Development Programme

As part of our commitment to long term talent development we are delighted to welcome Seb McDermott, Seth Pierrepoint and Rob Woodhead to our Associate Development Programme (ADP). The ADP is a unique initiative aimed at recruiting high achievers with a broad business grounding. Vision Capital's aim is to build its long-term talent base from this pool, providing a clear and accelerated career proposition to its investment team.



Sebastian McDermott



Seth Pierrepoint



Robert Woodhead

New Joiners

We are delighted to welcome Matthew Constantino, Samer Cortas, Claudia De Antoni, Andrew Schweibold, Stuart Hanbury, Molly Stocker and Pamela Moth to the firm.

Matthew is managing operations in New York. He joins from Apollo Management where he was Head of Private Investments for Apollo's strategic value fund. Andrew, who joins as an Associate, worked alongside Matthew at Apollo. They are joined by Matt Shafer and Christophe Browne who have transferred from our London office. The team is completed by Molly Stocker as Office Administrator.

Samer joins as Principal, he previously worked in the Debt Advisory and Financial Restructuring Group of Houlihan Lokey. Claudia joins as an Associate, having spent the previous 2 years at Arcapita, after 4 years at Morgan Stanley in London and New York. Stuart joins as Legal Counsel from Baugur Group where he worked with Andrew Lobb, Vision Capital's General Counsel, for 3 years.

Pamela joins as our new receptionist in London.



Matthew Constantino



Samer Cortas



Claudia De Antoni



Andrew Schweibold



Stuart Hanbury



Molly Stocker



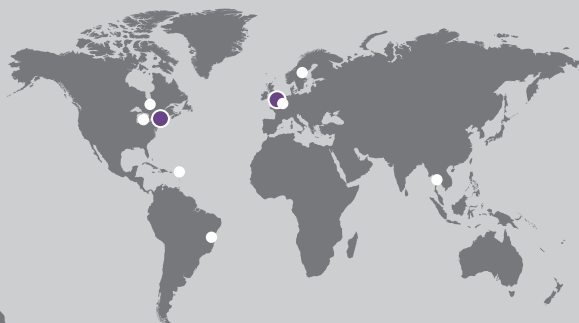
Pamela Moth

Where We Operate

UK investments



Global investments



The current portfolio consists of 15 investments across Europe and the Americas

● Current investments

Brighthouse	Watford
CPL	Chesterfield
DeltaRail	Derby
Elegant	Barbados
Fletchers	Sheffield
Inutec	Dorset
JDR	Hartlepool, Littleport, Krimpen and Thailand
Kinectrics	Toronto
Nordax	Stockholm
NuVision	Pittsburgh
Park Cake	Oldham
Pirtek	Acton
Pork Farms	Nottingham
Portman	Chertsey
Terphane	Sao Paulo Bloomfield, NY

● Vision Capital offices