

EUROPEAN BLOODSTOCK NEWS

BREEDING CAPITAL LAUNCHES NEW SHARE OFFER

By Carl Evans, 25th February 2008

Bloodstock investment company Breeding Capital has launched a new share offer following its success at the sales last year, *writes Carl Evans.*

Known as Breeding Capital II and III, each company is looking to raise funds of up to £2,000,000, which will be invested pro rata in new horses. Original investors, buoyant after watching the company's bloodstock portfolio produce an internal rate of return (IRR) of 43%, following sales in 2007 that grossed more than double the company's initial outlay 12 months earlier, are said to be among those who have committed to the new ventures.

Set up by Will Sporborg and Simon Marsh in 2006 as a tax efficient way of investing in top-end bloodstock, Breeding Capital hit the ground running when buying, then selling, several choice mares. Guided by bloodstock agent Charlie Gordon-Watson and pedigree expert Michael Youngs, the company found the Midas touch chiefly through **Manduro's** half-sister **Madura**, who was bought for 170,000gns and sold at Tattersalls' December Sale for 710,000gns. Breeding Capital also sold foals, yearlings and breezers, including **Yankee Bravo (Yankee Gentleman)**, winner last month of the California Derby at Golden Gate Fields and a contender for the Kentucky Derby.

Of the new plans, Sporborg said: "*We are already past half-way in our bid to raise £4,000,000 for Breeding Capital II and III. We have raised £1,900,000 through a Placing to original investors who wanted to invest more than £40,000, and have now launched an Offer to potential newcomers with a minimum investment of £10,000. "We look forward to welcoming new investors to this exciting, tax efficient investment opportunity."* Sporborg added that investors in the initial share option had come from a wide background and been encouraged to get involved through several favourable tax relief incentives.

Among them had been racehorse trainer John Gosden, who praised feedback to investors and said: "*Given that the shareholder base includes industry heavyweights and total newcomers to breeding and racing, the pitch of investor relations and financial performance has been outstanding."*