



FOR IMMEDIATE RELEASE

## **GrowthWorks Canadian Fund provides update on Participation Agreement with Roseway Capital**

**Toronto, Ontario, August 6, 2010** – GrowthWorks Canadian Fund Ltd. (“**Canadian Fund**”) provided an update today with respect to the previously announced Participation Agreement between Canadian Fund and Roseway Capital (“**Roseway**”) whereby Roseway advanced \$20 million to the Fund (the “**Roseway Proceeds**”) in exchange for a participating interest in 15 investments in the Fund’s venture investment portfolio (the “**Participation Holdings**”). The Participation Holdings had a total carrying value of approximately \$100 million at the time of the advance. Roseway’s participating interest entitles it to receive 20% of the proceeds generated from the sale or divestment (“**Participation Payments**”) of the Participation Holdings. Roseway did not acquire shares of Canadian Fund or any securities of the Participating Holdings. Most of the companies in the Participation Holdings are expected to be divested prior to May 28, 2013, the third anniversary of closing of the Roseway transaction. The Participation Agreement provides for minimum Participation Payments of \$5,700,000 per year during the three years following closing. Canadian Fund will repay the Roseway Proceeds in full on the third anniversary of closing.

To date, the Canadian Fund has divested from one investment from the Participation Holdings generating gross proceeds to Canadian Fund of approximately \$4,000,000 of which approximately \$800,000 is payable to Roseway.

Under Canadian GAAP, Canadian Fund’s obligation to repay the Roseway Proceeds on the third anniversary of closing is recorded as a liability of Canadian Fund. Canadian Fund’s other payment obligations under the Participation Agreement are determined by reference to divestment proceeds generated from the Participation Holdings. These payment obligations will be accrued by Canadian Fund as a liability over the period during which the fund is projected to divest the Participation Holdings.

Concurrent with closing, Roseway entered into a Services Agreement with the Manager of Canadian Fund whereby the Manager agreed to assist with managing Roseway’s participating interest and related follow-on investments in exchange for a services fee amounting to \$100,000 per year. The Manager has agreed with Canadian Fund to reduce the aggregate management and administration fees payable by the fund under the Management Agreement by the amount of fees received from Roseway under the Services Agreement.

The investment was made by Roseway, funded by entities advised by Headway Capital Partners LLP, an independent private equity firm based in London, UK. In support of Canadian Fund’s obligations under the Participation Agreement, Canadian Fund granted Roseway a security interest over certain of its assets.

**Forward-looking Statements Warning:** This press release contains forward-looking statements that are not based on historical or current fact, including statements about expectations for divesting and generating returns from investments in Canadian Fund’s venture portfolio. Actual results may differ materially from those expressed or implied by such forward-looking statements as a result of numerous known and unknown risks affecting Canadian Fund and its portfolio companies,

including risks inherent in emerging businesses with unproven technologies or products or limited sales, market risks that may significantly limit divestment opportunities, proceeds realized from divestments and sources of capital for portfolio companies, levels of Class A Share redemptions within Canadian Fund, which in turn may impact the availability of funds to undertake follow-on investments, and other risks referenced in Canadian Fund's public disclosure record. Many of these risks are beyond the control of Canadian Fund, its manager and the fund's portfolio companies. Neither Canadian Fund nor its manager assumes any obligation to update any of the forward-looking statements made in this release.

**About GrowthWorks\*** ([www.growthworks.ca](http://www.growthworks.ca)) GrowthWorks™ managed funds provide investment capital for Canadian companies and tax-advantaged investment opportunities for Canadian investors. GrowthWorks is part of the Matrix Asset Management Inc. group of companies and manages over \$585 million in assets through the Working Opportunity Fund (EVCC) Ltd., GrowthWorks Atlantic Venture Fund Ltd., GrowthWorks Commercialization Fund Ltd. and GrowthWorks Canadian Fund Ltd. GrowthWorks identifies, analyzes and structures investments in companies with high growth potential. Particular emphasis is placed on IT, Life Sciences and Cleantech sectors. Building on more than 17 years of investment expertise, GrowthWorks is a leader in Canadian venture capital management. GrowthWorks is a registered trademark of GrowthWorks Capital Ltd.

**About Roseway Capital** Roseway Capital is a venture capital investor funded by entities advised by Headway Capital Partners LLP, an independent private equity firm based in London, UK ([www.headwaycap.com](http://www.headwaycap.com)). Roseway Capital is managed by Rosetta Capital Limited, a venture capital firm based in London, UK ([www.rosettacapital.com](http://www.rosettacapital.com)).

\*GrowthWorks refers to GrowthWorks Ltd. and other companies within the venture capital operating division of Matrix Asset Management Inc., including: GrowthWorks Capital Ltd., manager of the Working Opportunity Fund (EVCC) Ltd.; GrowthWorks WV Management Ltd., manager of GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd.; and GrowthWorks Atlantic Ltd., manager of GrowthWorks Atlantic Venture Fund Ltd. GrowthWorks is a registered trademark of GrowthWorks Capital Ltd.

Commissions, trailing commissions, management fees and expenses all may be associated with investment fund purchases. Please read the Fund's prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. The Fund purchased the assets of Canadian Science and Technology Growth Fund and Capital Alliance Ventures in 2005, of ENSIS Growth Fund in 2008 and of Canadian Medical Discoveries Fund in 2009, in each case in exchange for Class A shares. ENSIS is a registered trademark of ENSIS Capital Corporation.

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**Reference:**

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