



For immediate release

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PRESS RELEASE

Krokus announces final close for Nova Polonia Natexis II Private Equity Fund

*Successful close for Krokus's new fund at hard cap of €100 million
against a target for the fund of €75 million*

Warsaw, Poland – Krokus Private Equity Sp. Z o.o. Sp.K today announces the final close of its **Nova Polonia Natexis II Private Equity Fund** (the "Fund") at €100 million against a target of €75 million. Commitments have been made by a variety of international investors, including Natixis Private Equity, the European Bank for Reconstruction and Development, InvestKredit, Suomi Mutual Life Assurance Company and Amanda Capital. Acanthus Advisers acted as exclusive financial advisor and international placement agent for the Fund.

The Fund will target expansion and buy-out opportunities in the Polish mid market. It will invest between €3-10 million of equity in companies with an enterprise value of between €3-30 million operating in various sectors of the economy ranging from manufacturing to retail and services.

To date, the Fund has committed almost €13 million in two investments with further potential investments in its pipeline. In January 2007, the Fund acquired a 74% stake in Izoterm, a leading provider of thermo-insulation for buildings and manufacturer of PVC windows in the Polish, Slovakian and Czech markets. The Fund's investment represented a buy-out from the founder of the business as well as providing capital for future acquisitions. In May 2007, the Fund acquired a 79% equity stake in Transssystem, one of the leading suppliers of conveyor systems in Europe. Its products are used in the factories of the largest automotive companies in the world including General Motors, Ford and Volkswagen, as well as companies in other industries including power stations, chemicals, furniture, metallurgical and electronic and electrical engineering.

Krokus believe that the Polish mid market represents a very strong opportunity for private equity investment underpinned by the dynamic fundamentals in the Polish economy. There are a significant, and growing, number of companies in the Polish mid market looking to expand their businesses and few private equity investors able to meet these needs. The Krokus team have great experience of the Polish mid market and have worked together for the past eleven years and last year themselves concluded the buy-out of their own business.

Witold Radwanski, Chief Executive of Krokus said:

"We are delighted to announce the final close of Nova Polonia Natexis II, our fourth private equity fund but the first following our own buy-out last year. In particular, we are happy that such a large number of investors were interested in our Fund that we had to close at the hard cap and, even then, could not accommodate all the interest shown. I believe that this is a testament to the high levels of interest that investors have for the Polish mid market and to the experience of the Krokus team.

We think that the Polish mid market represents an exceptional investment opportunity at this moment in time. There are a growing number of well managed companies in Poland looking to continue their growth with new investors alongside existing management teams. Krokus is deliberately positioned at the smaller end of the Polish private equity market as there is less competition for deals and valuations remain reasonable. We were particularly keen not to raise a larger fund as this would have taken us out of this investment space.

We will be sticking to the investment strategy that the Krokus team has pursued for the past eleven years which has delivered consistent returns and we believe will continue to deliver superior returns to our investors.

At a time when a number of CEE regional managers have successfully raised new funds it is good to see such strong interest in a specialist country fund focused solely on the Polish mid market. We believe that this shows



how quickly the CEE private equity market is maturing with clear demand from investors emerging for both regional and country based funds as already happens in Western Europe.

I am particularly pleased with our partnership with Natixis Private Equity who have provided not only an investment in the Fund but are a minority investor in the management company. To date they have added considerable value and provide a strong pan European context in which to analyse domestic Polish businesses. We look forward to working with them in the future and to further deepening our working relationship.”

About Krokus Private Equity

www.krokuspe.pl/en/

Krokus was set up by its Partners, Witold Radwański, Marzena Tomecka, Robert Bożyk and Piotr Oskroba together with Natixis Private Equity following the Partners’ buy-out from their former parent AIB. The team has been working together in private equity in Poland for over eleven years and has been responsible for managing three Polish private equity funds: NIF Magna Polonia, Nova Polonia and Prospect Poland. As such, the team is one of the most experienced private equity players in Poland.

During this period the team has made a total of 24 new investments in the Polish mid market and have committed a total of €80 million of advised funds. In addition, the Partners have completed 52 exits, sat on the Boards of over 70 companies and advised portfolio companies on corporate governance, strategy and acquisitions.

Krokus applies a proactive investment strategy by which they seek to add value to their investments by active involvement with management teams, through the imposition of rigorous corporate governance standards, full involvement in strategic planning and ultimately by ensuring a timely exit from which all parties benefit.

About Natixis Private Equity (“NPE”)

www.natixis-pe.com

NPE is the leading private equity partner for French SME’s, a highly reputed European player and is gaining visibility in the high growth markets of China and South America. Through 17 sponsored teams, 163 professionals, c.600 portfolio companies, 13 offices and with c. €3.1 billion committed from more than 45 international investors, NPE has developed a unique expertise in backing local and experienced teams with in-depth knowledge of their domestic markets. NPE is a cornerstone investor in the Fund.

About Acanthus

www.acanthus.eu.com

Acanthus is an independent private equity advisory firm providing fund placement and corporate finance advisory services. Established in 1998, Acanthus has built a highly experienced team of private equity specialists who are genuinely European both in focus and background with complementary skill bases ranging from corporate finance, asset management, capital markets, management consulting and accounting.

Each of Acanthus’s managing partners has over 15 years’ private equity experience. Together they have been involved in the execution of transactions with an aggregate value in excess of €10 billion. Over the past three years, Acanthus’s clients have raised funds in excess of €2 billion.

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