

New Investment of Balkan Accession Fund in Leading Romanian Company

Balkan Accession Fund announces the acquisition, through a Romanian based special purpose vehicle - Frigoholding, of 99.8% of Frigotehnica SA, the leading Romanian player in the refrigeration equipment installation industry.

The transaction, consisting of share purchase and direct investment in the company, amounting to EUR 25 million, has been structured as a leverage-buy-out. The associated debt was secured by Alpha Bank, the traditional lender to Frigotehnica. The Fund was assisted in this investment by the law firm Tuca, Zbarcea & Asociatii, which provided complex legal advice with respect to aspects entailed by all transaction phases.

In 60 years of activity, Frigotehnica developed skills, expertise and resources to provide full climate control solutions as „turn key projects” to big retail chains and other players in the food and beverage industry. The Company recently extended its operations in Bulgaria and plans for further regional development. The successful partnership with multinational corporations bestows excellent prospects for the regional expansion plans of the Company.

The new investment is consistent with the Balkan Accession Fund's strategy of investing in market leaders in fast-growing sectors. Frigotehnica has a long tradition in securing value-added services to its customers. Balkan Accession Fund will use its proven experience to help the Company minimize the impact of the financial crisis on its performance and, on medium term, to become a strong regional player.

Mr. Horia Manda, the managing partner of the Balkan Accession Fund explains: “This investment was made with strong consideration as to the attractiveness of the sector on medium to long term. The development of the new retail concepts and the high growth rates foreseen for the retail sector in Romania and Bulgaria (expected to be highest in Europe in the next few years) ensures solid ground for positioning the Company as a strong regional player. Our team entered this new investment in the current challenging market conditions counting on more than 11 years of experience in investing and developing financial, industrial and service businesses in the region. We acknowledge the special efforts of Alpha Bank in supporting the structuring and closing of this transaction in times when credit is scarce.”

Mr. Nicolae Bara, the Chairman of Frigotehnica and shareholder of Frigoholding said: “We are confident that the involvement of the Balkan Accession Fund in the further development of Frigotehnica is a key factor in adding value to the Company and in supporting the ambitious plan of becoming a leading regional player in the refrigeration industry”.

About Frigotehnica

Frigotehnica S.A. is the leading player on the refrigeration equipment industry in Romania with 75% market share in commercial refrigeration and 20% market share in industrial refrigeration in 2007. With a long tradition in the refrigeration industry, the Company became the largest Romanian provider of climate control solutions in the HVACR (Heat, Ventilation, Air Conditioning and Refrigeration) market. Frigotehnica is also the leading provider of turn key engineering solutions in refrigeration. It has a strong customer base including large multinational retail chains and companies in food and beverages sector.

About Balkan Accession Fund

The Balkan Accession Fund (BAF) is a € 110 million private equity regional fund, designed specifically to take advantage of investment opportunities in Romania and Bulgaria but also to selectively invest in the Balkan's Region and Ukraine. BAF typically invest in companies that are industry leaders active in high growth sectors and developing a clear domestic and regional expansion strategy. BAF portfolio (out of which some of the companies have been already sold) includes market leaders in: retail, logistics, refrigeration, microfinance, leasing, consumer finance, equipment rental, ice cream production. Up to now BAF has made investments in Romania, Bulgaria, Moldova and Albania.