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BALKAN ACCESSION FUND (BAF) RAISES MORE CAPITAL
EUR 110 MILLION IN TOTAL COMMITMENTS

October 5, 2006

Today the Balkan Accession Management Company (BAMC) announced the successful completion of fund raising activities for the Balkan Accession Fund (BAF or the Fund). Total investor commitments for BAF were finalized yesterday evening at EUR 110 million. The Fund will invest in Romania, Bulgaria and other countries in South-East Europe but also in selected transactions in Moldova and Ukraine.

BAMC was initially founded in January 2005 as a joint venture between managers from the Romanian-American Enterprise Fund (RAEF) and the Bulgarian-American Enterprise Fund (BAEF). Leveraging their significant experience in the region and with the support of RAEF as the main sponsor and DEG (the German Investment and Development Company) and FMO (the Netherlands Development Finance Corporation) as anchor lead investors, the team was able to initially raise EUR 20 million. In less than 18 months from the First Closing most of this amount has been already invested. BAF investments include Domo, the second largest Romanian electronic retailer, Edy Group, a leading Romanian logistics and transportation company, Jet Finance, Bulgaria's leading consumer finance company, and BM Leasing, a Bulgarian SME leasing company for equipment and real estate.

The Second Closing gathered EUR 90 million in new commitments, the total number of new and existing investors reaching 19. On this occasion, the European Bank for Reconstruction and Development (EBRD) and the Black Sea Trade and Development Bank (BSTDB) joined the existing Lead Investors in the Fund, by investing EUR 22 million and 10 million respectively.

"BAF shall continue RAEF's traditional relationship with DEG, FMO and EBRD. We consider that building strategic alliances with these organizations is one of the best ways to quickly develop successful companies in this region. Take for example our recent packaged exit to GE Capital Corporation out of three non-bank financial institutions: an automobile leasing company, a mortgage company and a consumer finance company", said Mr. John Klipper, CEO of RAEF, the largest investor in the new fund.

"The combination of BAMC's investment strategy, track record, and management team made this an attractive investment opportunity for us. We are looking forward to working with the team and this fund provides another vehicle for the EBRD to support the emerging middle market in the region." commented Silvia Gansser-Potts, Senior Banker at EBRD, the second largest investor in BAF.

Horia Manda, BAF's Managing Partner located in Romania commented: "We would like to thank all our investors for this expression of confidence in the strategy of the Fund, tailored to avail of these unusual opportunities opened by the significant developments of the economies in this region. Last but not least, we are grateful for their trust in our management team and in its capabilities to execute this strategy. Now that we are operating with significantly more capital we are in an excellent position to invest in and fully support great companies in the region."

Tom Higgins, BAF's Managing Partner located in Bulgaria added, "I don't think people fully realize just how quickly industries or more specifically companies are consolidating in this region. This is a theme that we have been consistently seeing with all our existing partners and prospect companies. This is where we believe the best opportunities will be for leading companies in the region for the next few years."

When asked to comment on his experience with BAF, Lorand Szarvadi CEO of DOMO Retail (largest BAF investment) stated: "It is not only about the money that we could have raised from many other sources. It is about building a valuable partnership that can bring an entrepreneurial company to a valuable corporation present in more than one country."

Elvin Guri, founder and CEO of Jet Finance stated "When my company was at a critical growth stage of its development we were approached by several investment funds. We have chosen BAF because of its flexibility in structuring the investment that allowed us to rapidly consolidate our market position."

BAF will typically invest, through equity and/or mezzanine finance, in industry leaders active in double digit growth sectors and/or fragmented industries with consolidation potential, and having a clear domestic and/or regional expansion strategy through M&A/organic growth.

BAF focuses on investing in: Financial Services, Retail, Logistics & Distribution, Consumer Products, Information Technology & Telecommunications, Healthcare, Selected Industrial, Media and other Consumer Related Services.

BAMC has offices in Bucharest, Sofia and New York.

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