

## **Argos Soditic acquires GPP Industrie Grafiche**

Milano, July 12<sup>th</sup> 2006

Argos Soditic, Advisor to the Euroknights V Private Equity Fund, has completed the acquisition of GPP Industrie Grafiche S.r.L. (“GPP”), a leader in the Italian paper and cardboard packaging industry.

The transaction was structured through the purchase of a Newco that in turn acquired GPP’s business divisions operating in cardboard packaging (general and luxury), point of sales displays and billboards & visual communication.

The Company designs and produces packages with complex functional structures, sophisticated graphic performances and high visual appeal features. The Company is valued for its capacity to combine the marketing and promotional needs of high end products with mass production volumes required for fast moving consumer goods.

The majority stake is owned by the Fund, with a minority stake owned by Cesare Tocchio, who will take over the role of CEO of the Company. Mr. Tocchio has vast experience in this sector, having previously been CEO of the listed paper and packaging company, Reno de Medici, and Managing Director of SCA Packaging Italy and Mondi Packaging Italy.

The incumbent management team remains involved, with Mr Piero Capodiecici, one of the main selling parties, retaining the role of Director and Vice President of the Board.

GPP is currently one of the leaders in its market segment. 2005 turnover was around €45 mln with an EBITDA of approximately €6.5 mln. The Company operates through two plants located in the outskirts of Milan (Italy) and employs around 250 associates.

Through its partner company, OSG Hungary (operating in the billboards & visual communication business), and with the affiliated group, Draeger, in France (operating in the top-end luxury packages for the cosmetics and perfumery industry) the group can offer its clients (which include brands such as Nivea, Cristian Lacroix, Paco Rabanne, Burberry, Johnnie Walker, L’Oreal, etc.) a vast number of products over an expansive geographic region. GPP will maintain a substantial stake in Draeger and the two companies will continue to enhance their existing partnership agreements on the commercial and production sides.

The investment in GPP is the first Italian investment in the fifth Fund managed by Argos Soditic, Euroknights V. The Fund has commitments of around €275 mln and is targeted towards private equity investments in small and medium-sized companies in southern Europe (Argos Soditic has offices in Milan, Paris and Geneva).

Matteo Carlotti, who followed the transaction for Argos Soditic said: “The acquisition of GPP reaffirms our investment strategy: to acquire small and medium-sized enterprises that are leaders in

consolidating markets and in close partnership with management. In this instance, the current management team that positioned GPP as a leader in its market, will be reinforced by the addition of Mr. Tocchio. With our support, GPP will further accelerate its development and become an important player in a market which is still relatively fragmented”.

Cesare Tocchio, the new CEO, commented: “I have known and appreciated GPP and its management team for a long time. My intention going forward is to leverage on GPP’s existing resources and know-how to further strengthen its key success factors: product innovation, service and international vision”.

Mr. Capodiecì said: ”Being backed by a solid financial shareholder, together with the appointment of an experienced manager like Cesare Tocchio, GPP has the financial and managerial resources to accelerate its growth and be a point of reference in the consolidation process currently going on in our sector”

\* \* \*

#### Participants in the Transaction

The financing facilities have been provided by Unicredit Banca d’Impresa

Umberto Zanuso of Fineurop Soditic has acted as Advisor to the Seller for the financing facilities

Matteo Carlotti, Jean-Pierre Di Benedetto and Alessio Manigrasso have followed the deal for Argos Soditic

Legal counsel: d’Urso, Munari, Gatti (Stefano Valerio)

Tax advisor: Chiaravalli, Reali e Associati (David Reali)

Accounting Due Diligence: PWC Transaction Services (Carlo de Vilas)

Business and Strategy Due Diligence: LEK (Giovanni Calia)

Environment and Safety Due Diligence: URS

Advisors to the Sellers: Canova Servizi Finanziari