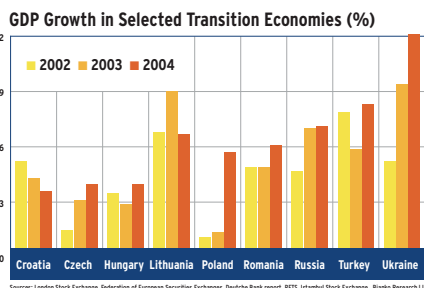


# Promising Horizons: Capitalizing on the Private Equity Market in Ukraine and Moldova

*Building on 10 years of knowledge, experience, and a proven track record of small and middle-sized company investment, Horizon Capital, a private equity manager, seeks to identify new opportunities for capital appreciation in the private equity markets of Ukraine and Moldova.*

Recent sweeping political changes, such as the world witnessed during the Orange Revolution in late 2004, have translated into greater investor interest in Ukraine and the region — and for good reasons. A reform-minded new government, eager for greater foreign investment, has placed top priority on Ukraine’s entry into the WTO and the EU. Several years of solid double-digit economic growth and radical tax reform have resulted in greater disposable income among the region’s 54 million consumers. This increased domestic demand, along with strong markets for the region’s exports, has created a sound business platform for investors.

Ukraine has historically enjoyed only low levels of per capita foreign direct investment (FDI) and low levels of liquidity in the banking sector. The lack of investment created a capital-starved environment, requiring major inflows of funds to complete the transition to a market economy and meet the increasing demands for high-quality goods and services for the emerging middle class.



However, the political will to broaden and institutionalize market reforms exhibited in the post-Orange Revolution and EU accession environment has translated into strong new interest from the global business community. New government estimates project historic high levels of FDI in 2005 of \$10 billion (compared

to \$1.5 billion in 2004).

These positive political and economic developments have thrown the spotlight on investment opportunities — particularly in the mid-cap private equity market — in Ukraine and Moldova. Comprised of small and medium-sized companies, this underdeveloped market offers investors both unequalled transparency and opportunity for dynamic growth and possibility for superior returns.

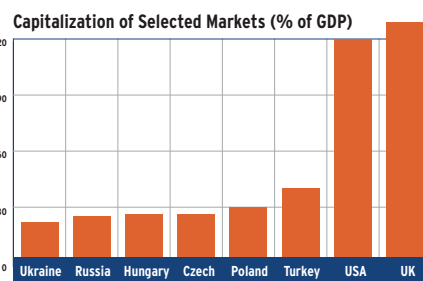
Horizon Capital, a private equity fund manager that capitalizes on the opportunities that this attractive market segment offers, is no stranger to private equity investment in Ukraine and Moldova. As managers of the Western NIS Enterprise Fund (WNISEF), Horizon Capital’s team draws on 10 years of investing in various economic cycles. They invested \$95 million in 28 companies in Ukraine and Moldova since WNISEF’s inception, and as of March 2005, completed 12 full and eight partial realizations. These companies now employ 18,000 people.

Why does Horizon Capital find the private equity market to be such a compelling investment opportunity, and what are the essential components that enabled these managers to establish a proven track record of successful investments and exits?

“The booming economies of Ukraine and Moldova offer many excellent investment opportunities,” according to Natalie A. Jaresko, president and CEO of WNISEF. “Our experience in the region shows that attractive investments can be made and realized across the region, in a variety of industries, if an investor has the right team of professionals, the track record and experience required to build the necessary business relationships and navigate the intricacies of these economies.”

The key attribute to successful private equity investment is identifying good management teams in fast-growing segments of

the economy, and partnering with them to establish successful companies. Horizon Capital’s fund managers excel at identifying talented management, bringing them the tools they can effectively utilize to improve strategy and operations, and attracting the capital they need to grow their companies.



WNISEF’s investment successes turned businesses into market leaders with significant market shares, strong profitability, capable management teams, transparent accounting, and effective corporate governance. Drawing on its successful results, Horizon Capital is ideally positioned to attract additional capital to the region.

Horizon Capital believes that investing in private equity in Ukraine now is more compelling than ever before: a reform-minded government is in power, with European integration and free market aspirations; the pool of sophisticated managerial talent continues to grow; the consumer market and the medium-sized business class are expanding rapidly. All these recent changes create an exceptional platform for investments in the region.

**For more information, contact:**  
 Natalie Jaresko  
 Horizon Capital  
 Muzeyny Provulok 4, third floor  
 Kyiv 01001, Ukraine  
 Tel. 380-44-490-5580  
 NJaresko@HorizonCapital.com.ua