

Horizon Capital Exits Shostka City Milk Plant Investment

Kyiv, Ukraine – May 7, 2007 – Horizon Capital, fund manager of Emerging Europe Growth Fund, LP (EEGF), a mid-cap private equity fund investing in Ukraine and Moldova, has realized its investment in the Shostka City Milk Plant (“Shostka”), a high quality Ukrainian manufacturer of hard cheeses. EEGF sold its controlling stake in Shostka to French Fromageries Bel S.A achieving a 5.9 times cash-on-cash return and 470% IRR. This is the first full exit in the EEGF portfolio since the fund closed to new investors in February 2007.

Shostka’s excellent reputation, strong management, product quality and a rapidly growing dairy industry attracted Horizon Capital to invest. During the life of its investment, Horizon Capital focused efforts on improving product quality, access to the region’s raw material base (milk), and strengthening Shostka’s brand portfolio and distribution within Ukraine. Over the past two years, sales increased by an impressive 57% to over \$45 million, reflecting Shostka cheese’s growing popularity among Ukrainian consumers.

“We are very pleased with the results of our investment in Shostka. Early in our investment process through our role on the Board of Directors, we focused on improving strategic elements of the company’s position on the domestic market. This enabled us to build a very inviting platform for strategic investors, such as Fromageries Bel S.A. Combining Shostka’s domestic market leadership with Bel’s global experience makes for a perfect match”, commented Natalie A. Jaresko, Managing Partner of Horizon Capital. Horizon Capital was advised in this transaction by Golden Gate Business, a Ukrainian M&A boutique.

Horizon Capital (www.horizoncapital.com.ua) is a private equity fund manager that originates and manages investments in mid-cap companies with outstanding growth and profit potential in Ukraine and Moldova. Currently Horizon Capital manages two funds, Emerging Europe Growth Fund and Western NIS Enterprise Fund, with over \$280 million under management.

For additional information, please contact:

Oksana Monastyrska
Senior Account Manager
The PBN Company
Phone: +380 (44) 270-7240
Fax: +380 (44) 270-7241
E-mail: oksana.monastyrska@pbnco.com