

**PRESS RELEASE****Horizon Capital and Hartwall Capital Acquire a Stake in Ukraine's Leading Wine Producer**

January 17, 2011 – Kyiv, Ukraine – Horizon Capital, regional private equity fund manager, and Finnish Hartwall Capital, announced today that they have acquired a stake in a holding that produces wine under trade mark (TM) “Inkerman”.

This co-investment of both strategic and financial investors into the development of the industry creates a uniquely valuable opportunity in Ukrainian winemaking. Currently, TM “Inkerman” is a leader in sales in Ukraine. The investors were attracted by TM “Inkerman’s” leadership position, as well as the sector’s growth potential and high profitability.

Inkerman is the largest vertically integrated wine producer in Ukraine with about 3,000 hectares of vineyards in Crimea and a wine manufacturing plant in Inkerman, Sevastopol. It produces over 13 million bottles of wine per year, 30% of which is exported.

Andriy Strelets, Managing Director of the holding company said: “For us, it is a perfect match and we see significant potential in this transaction. Our new partners bring resources, Western technologies and best business practices that will help strengthen and secure Inkerman’s leadership in the industry. After two years of market analysis and research, we have chosen the optimal investors, who comply with our company’s mission to revive the everlasting traditions and glory of domestic winemaking. These investors have already demonstrated their ability to develop companies while preserving the concept and unique qualities of local brands.”

For Horizon Capital this investment is its seventh from Emerging Europe Growth Fund II (EEGF II), which was raised in 2008, as Horizon continues to back region’s market leaders, building a valuable portfolio and co-investing with a well known, respected and successful Western strategic investor.

Natalie Jaresko, Founding Partner and CEO of Horizon Capital, commented on the deal: “We are thrilled to announce this acquisition, which is a good addition to our beverages portfolio, which already includes Vitmark in Ukraine and Bostavan Wineries Group in Moldova. TM Inkerman has shown excellent results to date in the market. Yet we all agree there is still ample opportunity to strengthen the brand and increase market share given the rising level of wine consumption in Ukraine and the near abroad. This deal will allow the Inkerman brands to further expand in the market by leveraging the experience of Ukrainian winemakers, the strong background in sales and marketing of Hartwall Capital and Horizon Capital’s value add in best business practices.” Given this is the first strategic investment into the Ukrainian industry, this transaction is a turning point not only for those involved in the transaction, but also for the Ukrainian wine industry as a whole. This investment is certain to improve the quality and distribution of wine throughout the region.

Victor Hartwall and Mikael Therman, representing Hartwall Capital said: “We have a strong background in the beverage business and we have experience in the region. Our ambition is now to build a market leader based on strong local brands. We believe that we can successfully create high quality wines while building upon Ukrainian partners’ reputation and Crimean traditions of winemaking. Our priority will be to develop raw materials base, improve the vineyards and winemaking techniques while respecting the unique style and knowhow developed by Inkerman to date. We will do our best to take the winery to the next level.”

The beverage company Oy Hartwall Ab was founded 1836 when Victor Hartwall started the first mineral water factory in Helsinki, Finland. During the 1990s, Oy Hartwall Ab built the world’s fifteenth largest brewery in terms of volume through Baltic Beverages Holding (BBH), a 50/50 joint venture with Carlsberg Breweries. BBH rapidly claimed market



leadership in Russia and the Baltic countries, and a second place in Ukraine (brands included Slavutych and Lvivska Pyvovarnya among others). Oy Hartwall Ab was later sold to Scottish & Newcastle, which subsequently was acquired jointly by Carlsberg and Heineken. Currently Baltika is #2 beer brand in Europe. Since 2008 the Hartwall family has continued its entrepreneurial activities through Hartwall Capital, which investment principles build on long term and active ownership.

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, Belarus and Moldova. Currently, Horizon Capital manages three funds, Emerging Europe Growth Fund II (EEGF II), Emerging Europe Growth Fund (EEGF) and Western NIS Enterprise Fund (WNISEF), with over \$600 million under management.

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