

PRESS RELEASE

Kerameya Launches New Line to Produce “Brukkeram”, Pavement Clinker

July 26, 2011 – Sumy, Ukraine – Kerameya, Ukraine’s and CIS leading clinker bricks manufacturer, announced today the launch of its pavement clinker production line which will produce pavers under the trade mark “Brukkeram”. The production line will have a capacity of 10 million bricks per year.

The main characteristics of pavement clinker are its endurance and superiority over cement pavers. Pavement clinker does not require maintenance, does not change its original color and is highly resistant to abrasion as well as to low temperatures (due to low water absorption). In addition to that, clinker pavers are much less slippery to walk on during the winter season.

Just as Ukraine’s construction market is showing signs of recovery, Kerameya sales grew over 60% yoy during 1H2011. Kerameya’s management team has been planning ahead and today Kerameya becomes the first company in the former Soviet Union to produce pavement clinker. “Brukkeram” will be covered by a 100 year warranty and will be less expensive than similar imported pavement clinker.

Ivan Telyuschenko, CEO of Kerameya, said: “We are delighted to be the first in Ukraine to launch production of pavement clinker. This is a cutting edge product superior to anything that the marketplace has to offer. We have made this decision to respond to the increasing demand of the industry and its customers. By launching the new line we will create additional jobs and contribute to the local tax base, making a significant impact on the social welfare of the Sumy region population, while in turn producing a high quality, innovative product in high demand. After launching “Brukkeram” we will start construction of an additional line which will allow us to double production of clinker to 60 million bricks, and make it fully operational by summer 2012.”

Kerameya’s pavement clinker will be available in two series – “Brukkeram Classic” and “Brukkeram Magma”. “Brukkeram Classic” is characterized by a uniform color and smooth finish. It will be presented in two colors: red (ruby) and brown (onyx). “Brukkeram Magma” has a distinctive blend of colors obtained by a process of galvanizing. This type of pavement clinker is widely popular in Western Europe, and represents high value in terms of design, allowing for the play of light and shadow.

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.

Kerameya (www.kerameya.com.ua) is a ceramic building materials manufacturer, specializing in the production of clinker bricks. Kerameya is owned by its management team as well as WNISEF and EEGF (two funds managed by Horizon Capital) and FMO, Dutch entrepreneurial development bank.

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