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NEW PRIVATE EQUITY FUND FOR INVESTMENTS IN SOUTH EASTERN EUROPE

Axxess Capital announced today the establishment of the Emerging Europe Accession Fund (EEAF or the Fund). EEAF is the third private equity fund to be managed by Axxess Capital, the same team that was successful in managing the Romanian American Enterprise Fund (RAEF) as well as in raising and managing the regional investment fund Balkan Accession Fund (BAF).

EEAF's targeted capitalization is of EUR 150 million and had the first close at EUR 94 million. The Fund's main investors are the European Bank for Reconstruction and Development (EBRD), the European Investment Fund (EIF), Acquina Partners – a Swiss-based private institutional investor, accompanied by the Black Sea Trade and Development Bank and DEG (the German Investment and Development Company) as well as by some US individual investors.

The management team is led by Horia Manda, the Managing Director of Axxess Capital and includes investment professionals with extensive investment experience in the region that will operate from the offices in Bucharest, Sofia and Istanbul.

EEAF will invest in private businesses in South Eastern Europe, with a main focus on the EU countries in the region - Romania and Bulgaria but also on Turkey – the EU candidate. The Fund will target equity investment addressing lower mid-market well-established companies, enjoying competitive advantages and good growth prospects in their industries and across the region. The Funds management will consider investments in the range of EUR 5-20 million in most of the sectors where it has been previously successful with a special attention to B2B services, manufacturing, logistics and distribution, financial services, healthcare, IT&C.

Mr. Horia Manda stated that EEAF is designed to take advantage of the crisis-generated value opportunities with strong medium-to-long-term growth potential as well as of the convergence play in the region. By considering the very challenging business environment in which Axxess Capital conducted the new fund raising, Mr. Manda appreciates this exercise as a notable success of the team that was able to attract private equity funding to the region in a period when investors' appetite is quite low.

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