

Dragon Capital raises \$45 million in the first closing of Europe Virgin Fund

Kyiv, Ukraine – 31 August 2010 – Dragon Capital, the largest investment banking institution in Ukraine today announced the launch of Europe Virgin Fund (EVF), a private equity fund and its first closing raising \$45 million. The Fund will invest in fast growing companies in a wide range of private sector mid-sized businesses with primary operations in Ukraine, Belarus and Moldova and will acquire majority or significant minority stakes. The industry focus will be on FMCG, retail, industrial, telecom, media, technology, pharmaceuticals, construction materials and financial services companies. The target size of the Fund is \$200 million for its final closing expected mid 2011.

Dragon Capital has committed to provide strong strategic support in addition to investing a minimum of \$20 million to the Fund as one of the Limited Partners. The Europe Virgin Fund's investors include the European Bank of Reconstruction and Development (EBRD), Swiss Investment Fund for Emerging Markets (SIFEM) and several private investors.

Commenting on the first closing of the Fund, Mr. Tomas Fiala, Managing Director of Dragon Capital, said: "In these challenging times for the global economy, the first closing of the Fund and the quality of the investors provide a strong seal of approval of the investment team as well as a good sign of confidence in the region."

"We are glad to support a strong local team of investment professionals backed by Dragon Capital in frontier Eastern European markets that are well positioned to re-launch growth and provide for excellent investment opportunities", said Anne Fossemalle, EBRD's Director for Equity Funds.

The investment management team of the Fund will be led by Alex Munteanu, ex-World Bank and Horizon Capital professional having an extensive 14-year private equity track record, and Kamil Goca, one of the founders of Dragon Capital. The team has recently been strengthened by Andrei Terehov, former managing director at Baring Vostok Capital Partners, Carlyle Group and Alfa Group, as a Non-executive Director and member of the Investment Committee.

"We are very proud to secure the support of EBRD and SIFEM. We look forward to capitalize on perhaps once in a lifetime investment opportunities that emerged in Ukraine, Belarus and Moldova in the aftermath of the global financial crisis", said Alex Munteanu.

"The projections of International Monetary Fund suggest that emerging markets will expand nearly three times faster than advanced economies over the next few years. Europe Virgin Fund is set to exploit the growth prospects and deliver exceptional returns to its investors", added Kamil Goca.

Salans is the legal advisor of the Fund.

About Europe Virgin Fund

The Europe Virgin Fund is a regional private equity fund sponsored by Dragon Capital with target size of \$200 million. The Fund will provide equity financing to up to a dozen of private sector businesses with primary operations in Ukraine, Belarus and Moldova, in particular, in fast-moving consumer goods, retail, industrial, telecom, media, technology, pharmaceuticals, construction materials and financial services sectors. Having received commitments from the EBRD, the Swiss Investment Fund for Emerging Markets, Dragon Capital and other limited partners, Europe Virgin Fund expects to start investments in 2010.

Dragon Capital (www.dragon-capital.ua) is Ukraine's leading securities brokerage, investment banking, private equity and asset management firm offering a comprehensive range of services to institutional, corporate and private clients. Established in 2000, the company is an independent partnership controlled by management, with a small minority stake held by Goldman Sachs. Dragon Capital is the largest Ukrainian securities broker, accounting for over a third of trades in equities on the Ukrainian Stock Exchange (UX) in 2009.

Since its inception Dragon Capital has successfully completed more than 50 deals, including IPOs, private placements and M&A transactions, having raised about \$2 billion for major Ukrainian companies in the fastest-growing sectors of the local economy: banking, agriculture, real estate, manufacturing, media, food processing, pharmaceuticals and more. Dragon Capital's asset management business has about \$0.6 billion under management.

The company's trading leadership was recognized by a series of awards from PFTS. Dragon Capital holds six Best Equity House in Ukraine awards from Euromoney magazine. Emeafinance publication named Dragon Capital the Best Broker in Ukraine in 2010. In 2009 Dragon Capital ranked first among Ukrainian brokerage houses in the Thomson Reuters Extel Pan-European Survey for having the best equity and equity-linked research.

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