



Astorg Partners raises its new EUR 300 million fund

First close at EUR 110 million

In a difficult environment for private equity fund raising, Astorg Partners announces the first close of its Astorg III fund at €110 million, a level which represents nearly 40% of Astorg III's final target of € 300 million, and 60% of the funds raised for Astorg II in September 1999 (€ 185 million). Astorg Partners has also gathered significant additional commitments contingent only upon the final size of the Fund.

This first close gathers French and foreign institutional investors, among which some of the most prestigious US or European funds of funds, such as Adams Street Partners, Axa Investment Managers or Morley Fund Management.

Most of these investors are repeat Limited Partners from Astorg II, renewing or increasing their support to the team. Roger Wilkins, Senior Fund Manager at Morley Fund Management said : *« we are very happy to back Astorg Partners for the second time; they enjoy a very good reputation on the French mid-market scene, and have so far managed to go through several economic and investment cycles successfully.»*

Astorg Partners has been very active during the past twelve months, with the acquisition of Vetsoca – a French integrated textile retail chain operating under the “Un Jour Ailleurs” brand name; of Laboratoire Pasteur-Cerba, a European leader in clinical esoteric assays; and, more recently, with the exit from Frans Bonhomme, the French leader in plastic pipes and fittings distribution, sold in July 2003. A fourth transaction is well underway : Astorg III has signed its first investment at the end of July, a BIMBO in the field of industrial heat treatment equipments, which will be closed at the end of this month.

« We are very proud of what Astorg Partners has achieved in five years, since the spin-off from Suez organized with my partners Joël Lacourte, Gilles Sicard and Thierry Timsit », commented Xavier Moreno, Managing Partner. “We have managed to successfully raise funds, and assemble a portfolio of outstandingly managed, high potential companies, which have shown continued strong growth since 1999 in a rather disrupted economic environment. »

Astorg Partners anticipates a final closing of Astorg III by the end of spring 2004, with the assistance of placement agent Global Private Equity. *« With an organization reinforced over the years, and a motivated, experienced team, we are now eager to complete our fund raising within the next 6 months, and to grow a new portfolio of highly performing private companies, at a very attractive time for deploying funds », added Xavier Moreno.* ASTORG III's will be invested in French mid-size buyouts or buy-and-build opportunities. With the additional financial resources needed to pursue its investment strategy, Astorg Partners will comfort its leading position in its segment of the private equity market.

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About Astorg Partners :

Originating from French formerly financial conglomerate Suez, Astorg Partners is a French independent private equity fund management company, controlled by its four founding Partners. It currently manages over Eur 300 million. Investing in high profile enterprises alongside partnering management teams, Astorg's mission is to enhance, financially structure and actively monitor all organic and external growth initiatives. Today, Astorg is widely recognized as one of the best specialists in the execution of industry consolidation plays, best known as "Buy and Build" strategies, or LBUs. Astorg Partners focuses its investment strategy on mid-market opportunities, investing between € 10 million and € 60 million per transaction, in companies with revenues generally comprised between € 50 million and € 300 million. Astorg Partners has also developed a strong industry expertise in the retail and healthcare sectors. It signed some prestigious transactions such as Sephora, which it backed as lead investor during seven years of high growth, or the LBO of Sebia, the worldwide leader in protein medical diagnostic equipments. Astorg Partners closed 44 transactions over the last twelve years, yielding an annual return (IRR) of 30% on realized investments.

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