

Paris, December 5th 2006

Argos Soditic is pleased to announce, in cooperation with **Epsilon Finance**, the release of the **first ever euro zone Mid-market transaction price index**:

1st Argos Epsilon Mid market Index

Background to the survey

- This **new price index** addresses the key question of the **valuation of non quoted mid market companies**
- It provides players in this sector and company managers with a **benchmark** to help understand trends in the European Mergers and Acquisitions market
- The **23% increase in the index over 18 months** confirms Private Equity and M&A professionals' intuition that mid market transaction prices have risen significantly over the past 2 years

Principle results

- The index is based on the **median EV/EBITDA multiple over a rolling 12 month period**
- **In 18 months the Argos Epsilon Mid market Index increased by 23%**; the EV/EBITDA multiple has risen from 6.9x at 31st December 2004 to 8.5x at 30th June 2006
- **A powerful, reliable indicator**, characterised by:
 - Stability of the sample: size of transactions, profitability of acquired companies, geographical breakdown of acquired companies, breakdown by type of acquisition (¾ industrials, ¼ LBO)
 - Balanced breakdown by industry sector
- **France, the leading country in the euro zone**, counted for 25% of all transactions over the period (1st January 2004 – 30th June 2006). Germany is in second position (24%) followed by Italy (12%) and Spain (12%)

The Argos Epsilon Mid market Index is based on a rigorous methodology and in-depth individual analysis of the selected transactions:

- **A sample of 337 deals** (out of 628 studied since January 2004) with the following characteristics: acquisition of a majority stake, mid market companies (transaction value ranging from €15 to €150m), with headquarters in the euro zone
- The Argos Epsilon Mid market Index is based on the median EV/EBITDA multiple over a rolling 12 month period, and will be published every six months

The results confirm and shed light on the perceptions of market players

For Argos Soditic, there are several reasons for the increase in the Argos Epsilon Mid market Index since 2004:

- The general rise in the value of private company transactions also **mirrors the increase in the value of listed mid caps companies**
- There are **macro-economic factors which also explain the increase** :
 - Interest rates are still low in the euro zone
 - A stable risk premium in European stock markets
- **Anticipation of growth in the financial results** of acquired companies
- The growing role of Private Equity funds in the M&A market, which is itself more mature (use of professional advisers on transactions has increased and auction processes have become generalised)

The Argos Epsilon Mid market Index, A benchmark the industry sorely needs

The Argos Epsilon Index provides a response to the strong demand for objective information on the evolution of prices in euro zone Mid-market transactions:

- The number of SMEs for sale has grown steadily since 2000
- The role of Private Equity in the economy has also become much more influential
- Changes in accounting principles make the establishment of fair/market value for private companies increasingly necessary

The Argos Epsilon Mid market Index will be published and analysed every 6 months.

About ARGOS SODITIC:

Founded in 1989, ARGOS SODITIC is an independent European Private Equity firm with offices in Paris, Geneva and Milan. ARGOS SODITIC has developed an original investment strategy centred on taking equity stakes in companies where close cooperation between the financial investors and the management is required (MBI, spin-off, reorganisation, build-up). ARGOS SODITIC invests in mid-sized companies (with revenues of 20 to 400 M€), in which the funds advised by ARGOS SODITIC (400 M€) take a majority stake per transaction of between 5 and 50 M€. The target companies must be strongly positioned in their market and have real growth potential : ARGOS SODITIC seeks to create value through the development of its portfolio companies rather than through financial leverage. ARGOS SODITIC has equity stakes in Buffet Crampon, Roc-Eclerc Group, Du Pareil au Même and Kermel in France, Sparco and CH&F in Italy, and Maillefer and ORS in Switzerland.

For further information, please consult our web site: www.argos-soditic.com

About Epsilon Finance:

Founded in 2001, Epsilon Finance is an independant Corporate Finance service provider based in France and the UK. In 2006, Epsilon set up the first financial analysis bureau specialising in private M&A transactions. A unique solution has been designed to help investment and advisory professionals value private companies on the basis of "faire market value": the professional databases CorpfinDeals (M&A transactions) and CompanyQuery (private company accounts) ; small & mid-market transaction analysis reports (Epsilon Multiple Analysis Tool™) ; and a tailored offering for Private Equity quarterly portfolio valuations (Epsilon sector indices, covering 25 major European business sectors).

For more information, please visit our website: www.epsilon-finance.com