

23 October 2006

BA Capital Partners Europe completes spin-out from Bank of America to create Argan Capital

LONDON - BA Capital Partners Europe ("BACPE") announced today that it has completed its spin-out from Bank of America to create **Argan Capital**, an independent private equity partnership. The Argan Capital team comprises 12 professionals and is led by three Managing Partners: Wojciech Goc, Carlo Mammola and Lloyd Perry.

Argan's investment strategy has been developed over the last 10 years and is focused on acquiring European mid-market companies in the industrial, services and consumer sectors, creating value through improvement of core processes, industrial transformation and international development. The team has developed a particularly strong presence and portfolio of company investments in Italy, France, the Nordic countries and Central Europe. With offices in London, Milan, Paris and Warsaw, Argan Capital will seek to acquire and develop European mid-market companies with enterprise values in excess of €100 million. The creation of Argan Capital comes on the heels of recent highly successful investments, such as Paroc in Finland and Alfatherm in Italy.

Argan Capital has held the final closing on its first independent fund with total commitments of €425 million. Fund raising took less than 6 months and was significantly oversubscribed, drawing interest from institutional investors in both North America and Europe. In total, the new fund has brought together 36 limited partners including pension funds, insurance companies and fund of funds managers from the US and Europe. Bank of America is a minority investor in the fund. The quality and diversification of the investor base creates a strong platform to support the longer term strategy and ambitions of Argan Capital in Europe. Managing Partner Lloyd Perry says: "Although the strategy of our business will remain broadly unchanged, the long-term support of large blue-chip investors, combined with increased independence in the decision making process, will allow us to more efficiently build value in our businesses and will give us greater freedom to respond to the needs of the market, investors and portfolio companies".

Capstone Palomar Partners acted as global placement agent and Clifford Chance as legal counsel to Argan Capital.