

EXCLUSIVE FINANCIAL ADVISOR TO IFC AND EBRD IN THE SALE OF PAPER FACTORY STAMBOLIJSKI, BULGARIA



LEGAL ADVISOR TO THE COMPANY

Clifford Chance LLP

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SOLE FINANCIAL ADVISOR IN SALE OF BULGARIA'S LEADING PAPER PACKAGING COMPANY

Augusta & Co plc advised both International Finance Corporation ("IFC") and European Bank of Reconstruction and Development ("EBRD") on the disposal of their equity and debt interests in Paper Factory Stambolijski, Bulgaria ("PFS").

PFS is one of Bulgaria's leading paper companies and regional leader in the production of kraft paper, primarily for use in the manufacture of cement sacks. PFS operates a fully integrated mill, strategically positioned to supply the markets of south east Europe and the Middle East.

IFC and EBRD acquired the assets of PFS from receivership in 2001 and following the successful turnaround of the business, sought a long term strategic or financial investor to manage the next stage of the company's growth.

Augusta & Co advised on the timing, marketing and negotiation of the disposal process through a coordinated auction to strategic and financial investors. Will Newton, Director of Corporate Recovery at EBRD commented: "Augusta's financial advice on the disposal of Paper Factory Stambolijski was invaluable in ensuring a successful exit to our investment. We were delighted with the professionalism with which Augusta advised us and are happy to transfer stewardship of this important regional player to Mondi Packaging, the industry leader."

The sale to Mondi Packaging Paper BV, Europe's leading kraft paper company with sales of €3.1 billion in 2005, secures the long term future of PFS with a strategic partner with the skills and financial resources to cement PFS position as the leading regional player in the sector.

The transaction was notable as a successful sale of a company only recently out of receivership in Bulgaria to the industry leader.

The transaction closed in June 2006.