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European Capital Invests 30 Million Euro in CEPL

St. Peter Port, Guernsey (ots/PRNewswire) -

European Capital Limited (LSE: ECAS) ("European Capital"), announced today that its subsidiary ECAS S.a.r.l. has invested euro 30 million (US\$43 million) in Compagnie Europeenne de Prestations Logistiques ("CEPL"), a leading European logistics provider specialized in the outsourcing of automated multi-product order preparation ("Detailed Picking"). The investment was led by the Paris office of European Capital Financial Services Limited ("European Capital Financial Services") and supports the acquisition of the company by Arcapita Bank B.S.C.(c) and its affiliates. CEPL management also significantly invested in the company, valued in the euro 550 million to euro 600 million range.

"We are very excited to support CEPL, which has a unique and recession-resistant business model in the logistics sector in Europe," said Jean Eichenlaub, Managing Director Southern Europe, European Capital Financial Services.

"CEPL has benefited from being a first mover in its market. The highly successful and entrepreneurial team led by Thierry Ortman, CEO and founder, and Akim Lamrani, COO, already manages a network of 23 fully automated sites, all of which are equipped with a single IT system and automated preparation lines capable of shipping a large number of small-volume, multiple-SKU orders to multiple client locations within 24 hours," said Tristan Parisot, Director, European Capital Financial Services.

European Capital has invested euro 357 million (US\$516 million) year to date and euro 3.3 billion (US\$4.8 billion) since inception. European Capital has raised over euro 2.4 billion (US\$3.5 billion) in capital including euro 1.3 billion (US\$1.9 billion) in debt and euro 1.1 billion (US\$1.6 billion) in equity and realised euro 1.1 billion (US\$1.6 billion) from committed capital. For more information about European Capital's portfolio, go to http://www.EuropeanCapital.com/our_portfolio/portfolio.html

"CEPL enables clients to fully outsource non-core logistics functions including warehouses and related employees. They also benefit from lower costs as other clients are integrated onto optimized platform sites in order to spread fixed costs, smooth out seasonality and enhance productivity with an improved picking success rate," said Alexandre Bruyelle, Manager, European Capital Financial Services.

"CEPL, which is well positioned to benefit from the increased outsourcing trend, is one of the best assets on the French LBO market," said Guillaume Peroz, Manager, European Capital Financial Services. "CEPL's clients include branded-product companies like Guerlain, and specialized distributors like Marionnaud, operating in the perfume and cosmetics, textile, consumer electronics and sports industries."

Founded in 1998, CEPL employs 2,200 staff in 23 sites across France and Germany. Since 2001, sales and EBITDA grew at 27% and 30% CAGRs, respectively. With only 20% of Western European detailed picking sites outsourced, CEPL has a strong growth potential in France, Germany, Benelux, Spain and Italy.

"The management of CEPL is very pleased to partner with Arcapita and mezzanine lenders ICG and European Capital and is looking forward to expanding the business thanks to the combined network of our three new international partners," said Mr. Ortman.

"Management plans to double the size of the company over the holding period," said Manuel Barbieux, Principal, Arcapita. "We rely on European Capital's and ICG's commitments to support the ambitious development plan of CEPL."

ABOUT EUROPEAN CAPITAL

European Capital is a publicly traded investment company for pan-European equity, mezzanine and senior debt investments with current capital resources of approximately euros 2.4 billion (US\$3.5 billion). It is managed by European Capital Financial Services (Guernsey) Limited ("ECFSG"), a wholly-owned affiliate of American Capital, Ltd.

European Capital invests in and sponsors management and employee buyouts, invests in private equity buyouts and provides capital directly to private and public companies headquartered predominantly in Europe. European Capital generally invests between euros 5 million and euros 500 million per transaction in equity, mezzanine debt and senior debt to fund growth, acquisitions and recapitalizations.

The investment objective of European Capital is to provide investors with dividend income and the potential for share value appreciation by investing in debt and equity investments in private and public companies headquartered primarily in Europe.

European Capital seeks to achieve this through pursuing the following types of investments:

European Capital One Stop Buyouts(TM)

Through our One Stop Buyouts(TM), European Capital provides equity, mezzanine debt and senior debt as the lead investor in the buyout of private and public companies.

Mezzanine Direct with Sponsors

European Capital provides one stop financing of subordinated debt and equity for buyouts sponsored by private equity firms where European Capital is either the sole or lead mezzanine debt investor.

Syndicated Mezzanine and Senior Debt

European Capital provides mezzanine financing for buyouts sponsored by private equity firms where European Capital is neither the sole nor lead mezzanine or senior debt investor.

Direct Investments

European Capital provides subordinated debt and equity financing directly to private and public companies, which is used for growth, acquisitions or recapitalizations, and investing in structured finance vehicles.

Companies interested in learning more about European Capital's

flexible financing should contact Nathalie Faure Beaulieu at +44-(0)20-7539-7000 in London, Jean Eichenlaub at +33-(0)1-40-68-06-66 in Paris, Robert von Finckenstein at +49-(0)-69-71-71-297-0 in Frankfurt, or Luis Felipe Castellanos at +34-91-423-27-60 in Madrid, or visit the website at <http://www.EuropeanCapital.com>.

ABOUT AMERICAN CAPITAL

American Capital (Nasdaq: ACAS), with US\$20 billion in capital resources under management⁽¹⁾, is the only private equity fund and the largest alternative asset management company in the S&P 500. American Capital, both directly and through its global asset management business, originates, underwrites and manages investments in private equity, leveraged finance, real estate and structured products. American Capital and its affiliates invest from US\$5 million to US\$800 million per company in North America and euro 5 million to euro 500 million per company in Europe. American Capital was founded in 1986 and currently has 13 offices in the U.S., Europe and Asia. For further information, please refer to <http://www.AmericanCapital.com>

ABOUT ARCAPITA

Arcapita is a global investment bank headquartered in Bahrain with offices in Atlanta, London and Singapore, and operates across four lines of business: Corporate Investment, Real Estate Investment, Asset-Based Investment and Venture Capital. Since its foundation in 1997, Arcapita has completed 73 transactions with a total value of almost US\$27 billion and has a balance sheet footing of over US\$5 billion. Arcapita recently reported a net income of US\$362 million for its fiscal year 2008. Arcapita's portfolio of investments covers numerous industries, in particular business services, which includes logistics, retail, consumer products, energy, specialized manufacturing and healthcare.

This press release contains forward-looking statements. The statements regarding expected results of European Capital and/or American Capital are subject to various factors and uncertainties, including the uncertainties associated with the timing of transaction closings, changes in interest rates, availability of transactions, changes in regional, national or international economic conditions, or changes in the conditions of the industries in which European Capital and/or American Capital has made investments.

(1) As of 30 June 2008.

Web site: <http://www.EuropeanCapital.com>
<http://www.AmericanCapital.com>

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