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Mercapital caps oversubscribed buyout fund at EUR 550 million.

Madrid, 4th de 2006

Mercapital, one of the most experienced mid market buyout investors in Spain with over 20 years of private equity experience, has received commitments of EUR 550 million for Mercapital Spanish Buyout Fund III ("SBF III" or the "Fund"), above the original target of EUR 500 million. Support came from existing investors – including Access Capital, Goldman Sachs, Pantheon and Unigestion - and selected new international investors including BP Pension, CAM Private Equity, European Investment Fund, Quartilium, managed by Finama and Hypovereinsbank. The Fund also received strong support from Spanish financial institutions and family offices, which represent close to 30 per cent. of the Fund, and who for the first time were able to invest significant amounts in the asset class.

Mercapital SBF III will continue its successful strategy of targeting control positions in mid-size buyout transactions in Iberia (the region comprising Spain & Portugal) where it continues to see strong dealflow. The Fund will be open to attractive buyout opportunities wherever they may arise and will concentrate on sectors and companies where its local access and insights provide it with a particular advantage in winning deals and unlocking value through leveraging local dynamics and stimulating business transformation. This local advantage stems from both the Partners' extensive operating and financial experience in the region and their broad links with the Spanish business community and an unrivalled network of local senior advisors and professionals.

Javier Loizaga, Managing Partner of Mercapital said "We are extremely pleased at the support shown by existing and new investors. This has enabled us to close the fund at a self imposed cap of EUR 550 million, maintaining our focus on the midmarket".

Loizaga further commented: "With a 100 per cent focus on buyouts in SBF III, compared with approximately two-thirds in our previous fund, SBF III provides us with almost 40 per cent more capital to dedicate to buyouts. This gives us the firepower to continue to take a leading role in mid-market buyouts in Spain where we not only see an abundance of opportunities but also the ability to achieve superior returns to investors. Given our strong deal pipeline and the current number of opportunities in the mid-market, which is expected to develop even further, we expect the Fund to be invested in the next three years."

MVision Private Equity Advisers acted as exclusive global placing agent. SJ Berwin acted as Spanish legal advisers, Ropes & Gray as US legal advisers and PriceWaterhouseCoopers advised on tax matters.

Notes to Editors:

Mercapital is one of the most experienced mid-market buyout investors in Spain with over 20 years of private equity experience. Having invested more than €1 billion in equity since 1991, Mercapital has established itself as a market leader and a unique brand name in the Spanish market. Mercapital benefits from the largest and most experienced local team exclusively dedicated to Spain with 20 investment professionals. The team is led by 8 Partners including two who joined during 2006 with strong management and industry backgrounds.

Mercapital's recent investments include, USP Hospitales (the largest independent hospital network in Spain), Recoletos (the leading specialized press publisher in Spain), Menorquin Yachts (one of the leading and most profitable players in the Spanish pleasure boat industry), Abaco (medium to large operator in the Spanish Cinema Exhibition industry), Saprogal (leading manufacturer and supplier of animal nutrition products in Spain and Portugal) and Gasmedi (a leading Spanish medical gas provider).

Recent exits include Cesa (the fourth largest developer and operator of wind farms in Spain), Santos (integrated provider of logistics services) and Quirón (a leading provider of private healthcare services).

