

# NEWS

ROBERT MARSTON CORPORATE COMMUNICATIONS, INC.

485 MADISON AVENUE  
NEW YORK, NY 10022-5896  
(212) 371-2200

Contact: Charles Storer

## **Castle Harlan Australian Affiliate Closes**

### **On A\$950 million for CHAMP II Funds**

NEW YORK, July XX, 2005 – Castle Harlan, Inc., the New York private equity investment firm, announced today that it and CHAMP Private Equity, its Australian affiliate, had raised two new investment funds with aggregate commitments of A\$950 million (US\$730 million), making the CHAMP II Funds substantially larger than any other independent private-equity funds managed in Australasia.

Demand for the funds, CHAMP Buyout II Trust and CHAMP II Worldwide Fund, was significantly more than the amount raised, but the decision was made to limit the fund size to continue the investment focus so successful in the CHAMP I group of funds. The fund size had been raised from the original target of A\$750 million (US\$575 million) to accommodate some of the strong demand.

Investors in the new funds included limited partners from CHAMP I and Castle Harlan Partners IV, L.P., as well as new institutional investors worldwide. Commitments were secured from more than 40 leading institutional investors. Approximately one third of the funds comes from Australia, one third from North America, and one third from Europe, Asia and the Middle East.

John K. Castle, chairman of Castle Harlan, and Leonard M. Harlan, president, hailed “the continued support we received from our existing partners in both the CHAMP and Castle Harlan funds.

“We have successfully met our objective of diversifying our strong existing investor base with additional top-quality investors worldwide. The interest from institutional investors from the US, Europe and Asia is a strong endorsement of the development of the private equity industry in Australia and its continued prospects.

“In particular, we welcome institutional investors for the first time from Switzerland, the Netherlands, France, Belgium, the United Kingdom and Japan, to join existing investors from the US, the Middle East and Australia.”

Bill Ferris, executive chairman of CHAMP Private Equity, and Joseph Skrzynski, managing director, noted that CHAMP is “not under pressure to deploy capital immediately. We will invest over a five-year time horizon, focusing on growing our portfolio companies’ earnings, as the most important driver of value. This approach has served us well over the past 18 years, generating annual compounded returns of approximately 30 percent.”

CHAMP Private Equity is the largest and oldest private equity fund manager in Australia. Based in Sydney, CHAMP Private Equity focuses on buyout investments in the Australasian market and has extended its lengthy track record with a string of successful investments from the CHAMP I Funds including Austar, Bradken, Penrice, New Price Retail, and Australian Pacific Paper Products. CHAMP I Funds, raised in 2000, totalled A\$500 million (US\$385 million).

Earlier this year CHAMP Private Equity was named “Australian Firm of the Year” by Private Equity International magazine. It remains the largest institutionally backed independent private equity firm in Australia.

Ben Sebel, a Castle Harlan managing director who managed much of the fund-raising for the CHAMP II Funds, said that investors worldwide “have been very impressed by the returns achieved by the leading private equity firms in Australia. CHAMP’s pioneering and long record of success certainly contributed to the high degree of interest in CHAMP II.

“CHAMP II will continue the successful strategy executed in CHAMP I, taking control positions in companies with an enterprise value greater than A\$100 million. This complements the activities of a related fund, CHAMP Ventures V, which focuses on expansion capital and management buyouts of Australasian companies of less than AUS\$100 million in enterprise value.”

CHAMP Private Equity has long been a pioneer of the Australian private equity market. Its roots go back to 1987, when founding partners Ferris and

Skrzynski established AMIL to make mid-stage and later stage equity investments in Australasian companies.

In 1987, Castle and Harlan founded Castle Harlan, a leading US middle-market buyout specialist. An association was formalized in 2000 to bring together the combined experience, specialist skills, networks and track records of Castle Harlan and AMIL to create CHAMP Private Equity.

Castle Harlan's fourth fund closed in September 2003 with commitments of US\$1.163 billion. It is currently 33 percent invested.

Castle Harlan's team of nine managing directors, including its founders, has completed more than 60 acquisitions with a total value in excess of \$7 billion. The firm traces its roots to the start of the institutionalized private-equity business in the late 1960s.

Castle Harlan's portfolio companies, which employ more than 26,000 people, include Ames True Temper, a leading manufacturer of lawn and garden tools and accessories; Horizon Lines, one of the largest U.S. container shipping companies, and Advanced Accessory Systems, the largest manufacturer of automotive roof racks and tow systems in North America and Europe.

MVision Private Equity Advisers, with offices in London and New York, acted as global primary placement agent and Brookvine Pty Limited, based in Sydney, acted as special advisor to CHAMP Private Equity and Castle Harlan for the CHAMP II Funds.

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