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## **Accent Equity and Bank of America Equity Partners Europe to divest Paroc to ARCAPITA for €620 million**

(Stockholm, 20 June 2006) - Arcapita Bank B.S.C.(c), a leading international investment firm headquartered in Bahrain, announced today that it and its affiliates, together with existing management, have signed definitive agreements to acquire Paroc Holding Sverige AB and its subsidiaries ("Paroc"), a leading manufacturer of insulation products headquartered in Finland, which occupies the number one position in each of its core markets of Finland, Sweden and the Baltics.

The total enterprise value is approximately €620 million and represents Arcapita's largest corporate investment, bringing to almost \$12 billion the total value of Arcapita's transactions to date. With its strong management team and its growth prospects in Eastern Europe, Russia and the CIS, the Paroc acquisition reflects Arcapita's strategy of providing its investors with a product offering diversified by asset class, by region and by currency.

Paroc employs over 2,000 people in 13 countries and has seven factories based in Finland, Sweden, Lithuania and Poland. From this diverse manufacturing base, Paroc supplies its core markets and is also ideally-positioned for expansion into the fast growing economies of Eastern Europe, Russia and the CIS. The company is expected to realize revenues of around €375 million in 2006.

Commenting on the transaction, Atif Abdulmalik, CEO of Arcapita, said: "We are pleased with the addition of Paroc into Arcapita's investment portfolio for several reasons. The acquisition gives our investors access to a strong business with stable cash flows, which also offers prospects for rapid expansion in the growth markets of Eastern Europe and the CIS, where demand for insulation products is expected to remain very strong for the foreseeable future."

The acquisition was overseen from Arcapita's European office in London. Mounzer Nasr, head of European Corporate Investments, commented, "Tightening regulations and high energy prices are expected to continue driving demand for insulation products globally. In Paroc's case, these already positive fundamentals combine favorably with an impressive management team, which has built the company from a regional building insulation business, into a pan-European company with leading products, a dominant position in its core markets and an excellent platform for expansion eastwards."

Paroc is the second major European acquisition of the year for Arcapita, who completed the acquisition of Roxar AS, a technology solutions provider to the oil and gas industry in March, for \$200 million. It also follows the successful exit of Loehmann's, the US fashion retailer, for \$300 million, expected to close in July 2006.

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### About Arcapita

Headquartered in Bahrain with offices in Atlanta and London, Arcapita's four principal lines of business are corporate investment, real estate investment, asset-based investment and venture capital. To date, the Bank has completed 53 transactions with a total value exceeding \$11.8 billion and has an equity capital base of approximately \$400 million. Arcapita's mission is to provide innovative and distinctive investment opportunities that generate superior risk-adjusted returns and adhere to Islamic principles.

Full details of Arcapita can be found at [www.arcapita.com](http://www.arcapita.com)

## About Paroc

Paroc Group is one of the leading manufacturers of mineral wool insulation products and solutions in Europe, with over 65 years' experience in developing, manufacturing and distributing stone wool products. PAROC® products include building insulation, technical insulation, marine insulation, structural stone wool sandwich panels and acoustics products. The company has operations in 13 countries in Europe, with production facilities in Finland, Sweden, Lithuania and Poland. Net sales in 2005 amounted to EUR 346 million and the average number of employees throughout the year was 1,967 persons.

Full details of Paroc can be found at [www.paroc.com](http://www.paroc.com)