



Press Release

Steadfast Capital Provides Cetelon Group with Solution for Succession

Frankfurt am Main, 16 August 2005. Steadfast Capital, formerly BHF Private Equity, and a management buy-out team have successfully acquired a majority participation in the Cetelon Group. For reasons of age, the two existing shareholders wished to reduce their participation while at the same time remaining financially involved in the business. As part of the succession solution the company's management team has taken a participation in the share capital of the Group. The parties have agreed not to disclose the transaction volume.

Cetelon is a medium-sized group of companies located in Stuttgart. The Group develops, produces and markets decorative paints and functional specialty coatings focussing on niche applications in the automotive and consumer electronics industries. A Cetelon subsidiary in Leipzig develops and produces innovative coating systems based on nanotechnology. Examples are scratch-proof, dirt-repellent or UV-curing coatings.

"Cetelon is the classic case of a succession solution. Here we have been able to implement a participation model tailored to the requirements both of the shareholders, who wanted to reduce their commitment, and of the management team," remarked Clemens Busch, a partner in Steadfast Capital. "Management participation and the ongoing financial engagement of the former majority holders will ensure an optimal transition at the management and shareholder levels." Clemens Busch continued: "In the framework of our investment strategy we plan to make investments to expand business opportunities outside Germany and will actively support the further development of nanotechnology-based products."

Cetelon

The Cetelon Group consists of four operative businesses, the two most important being Cetelon Lackfabrik GmbH and Weckerle Lackfabrik GmbH. Cetelon GmbH develops, produces and markets high-end coating systems for application in the automotive and consumer electronics industries. The focus is on products generating silvery or metallic effects that can be used as coatings for aluminium wheels, radiator grilles, wheel caps, TV sets and hi-fi components.

Weckerle GmbH develops, produces and markets functional coating systems such as corrosion-resistant and highly thermo-stable products. The company's most important customers include automotive manufacturers and their suppliers, companies from the rail car sector and the machinery and plant-construction industry. The Cetelon Group has a staff of approx. 190. It generates over 50 percent of its sales volume from exports.

Steadfast Capital

Steadfast Capital, formerly BHF Private Equity, is a private equity business focusing on investments in medium-sized businesses, primarily in German-speaking Europe and neighbouring countries. Steadfast Capital invests mostly in non-quoted companies, providing solutions for succession issues, spin-offs from larger groups and growth capital opportunities. A creative financing solution is tailored for each individual situation, which always also comprises an element of management participation in the equity of the business.

Steadfast Capital's first fund was established in September 2001 with a volume of 305 million euro. Over the past 18 months the fund has acquired four businesses with a total transaction volume of around 250 million euro.

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