



### **BlueGem acquires a minority stake in Fintyre S.p.A.**

**London, 13 February 2009** – Today BlueGem L.P. signed an Investment Agreement to acquire a minority stake in Fintyre S.p.A. through a capital increase.

Fintyre is the largest replacement tyres wholesale distributor in Italy, resulting from the merger of the two main players in Italy, Fintyre (the holding company of Pneuservice, Pneufin and Pneumatici Giordano) and All Pneus.

The combined entity will be the leader in the replacement tyres wholesale distribution market in Italy with approx. €250 m of revenues, over 4 million of units sold and approx. 14% market share, with the second largest distributor 4.5 times smaller than the Company.

Following the integration, Fintyre will have a very strong distribution platform with 107 sales agents and 16 warehouses, achieving national coverage and logistics efficiency.

The tyre market is divided in OEM / first equipment tyres and aftermarket / replacement tyres. Italian replacement tyre market accounts for 75% of the total Italian market, in line with other major worldwide markets. Within the replacement market, wholesalers (long channel) command a c. 70% market share vs. 30% of direct sales (short channel), a peculiar situation compared to other major worldwide markets, where the short channel is much more important.

The market is still very fragmented, with almost 200 wholesalers and a retail client base with more than 20,000 points of sale. The leadership position of Fintyre in such a fragmented market should provide the company with significant strategic value and a sustainable and defensible competitive advantage.

BlueGem is entering in this transaction alongside Sofipa SGR, an Italian private equity fund that has been investing in this business since the beginning of 2007. BlueGem and Sofipa will enter into a Shareholders' Agreement that will allow the two funds to have a majority stake in the combined entity.

The closing of the transaction is expected at the end of April 2009.

BlueGem L.P. is a private equity fund formed at the end of 2006 by former Merrill Lynch professionals to make private equity investments in mid-market companies in Italy and in the UK. The capital commitment of the fund is €205 million and the fund is targeting companies with enterprise value of up to €200 million.