

PRESS RELEASE

APEN Private Equity strengthens capital base and sets focus on emerging markets

Zug, 21 May 2013 – **APEN Ltd, the Swiss private equity investment company listed on the SIX Swiss Exchange, has completed breakthrough transactions to substantially strengthen its capital base. At the same time, APEN has decided to focus its strategy on co-investments and secondary private equity opportunities in emerging markets. Under financial agreements with Brazil-based GP Investments, US-based Newbury Partners and affiliates of funds managed by Fortress Investment Group, APEN reduced its outstanding debt by USD 109m and will increase its capital by USD 32m. In addition the company outsourced its asset management to an external investment advisor, GP Investments. The existing portfolio of investments will be divested over time.**

“We are delighted to have found strong partners in GP Investments, Newbury Partners and Fortress who are completely aligned with our vision of APEN’s future”, says Eduardo Leemann, Chairman of APEN. The three partners provide the financial and strategic capabilities for the company to create a solid platform to invest in emerging markets private equity opportunities.

In a series of transactions with the three investment companies, APEN first raised USD 42m in net cash by selling certain assets to Newbury Partners. At the same time, Fortress granted APEN a three-year loan in the amount of USD 140m and a USD 10m revolving credit facility. Proceeds of USD 182m from these transactions plus existing cash of USD 17.8m were then used by APEN to pay back its existing debt: AIG was reimbursed USD 142.7m for APEN’s obligations amounting to USD 191.6m while Fortress was paid USD 57.1m.

As a result, total debt of the company was reduced by USD 109m and debt to equity ratio drops to 0.8x.

GP Investments, Newbury and Fortress to become major shareholders

To further strengthen the capital base and to support the future growth of APEN, all three investment companies have agreed to become major shareholders of APEN. This will be achieved through a series of transactions, which involved buying the 36.5% of APEN’s shares previously held by AIG and increasing APEN’s capital by USD 32.3m (CHF 31.3m) which includes a sale of treasury shares. GP Investments and Newbury Partners will end up holding a combined shareholding of 40.1% of APEN, while Fortress will own 13.4% of APEN. The remaining 46.5% of APEN will be held by APEN’s existing shareholders with the exception of AIG who will no longer be a shareholder in the company. As a result, APEN will have USD 30m in cash available for new investments.

Investment focus on emerging markets and external investment manager

As a consequence of the new investment focus on emerging markets, APEN’s Board of Directors selected GP Investments as APEN’s investment manager. APEN’s current management team will form a new advisory company, led by CEO David Salim, under the GP Investments group.

“We are very pleased to support APEN in its new phase and confident in the management team's ability to provide the firm with a successful new strategy, which we believe has the potential to generate attractive returns for APEN's shareholders”, said GP Investments' Co-CEO Antonio Bonchristiano.

To leverage its new financial strength, APEN will divest its existing portfolio over time and concentrate on private equity investments in emerging markets, focusing on co-investments and secondary transactions. “We are one of the first listed private equity investment companies worldwide focusing its investment strategy on emerging markets. Considering the economic growth and need for capital in these markets we see a high long-term potential for attractive private equity investment”, explains APEN CEO David Salim. “Through the expertise of GP Investments in the Latin American markets and by working closely together with leading local investment advisors in other emerging markets, we are creating a solid foundation for building a highly attractive private equity portfolio and generating superior returns for our investors.”

For the first quarter 2013 APEN AG reports a net profit of CHF 0.12m compared to a loss of CHF 4.5m in the same period of the previous year. With CHF 8.5m, investment income for both periods was comparable but impairments on financial assets held as AFS were significantly lower in the first quarter 2013 with CHF 0.79m opposed to CHF 3.64m in 2012.

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About APEN

APEN Ltd is a Swiss investment company domiciled in Zug. The Company's objective is to achieve long-term capital growth for shareholders by actively managing a well balanced portfolio of private equity funds and direct investments in privately held operating companies. APEN Ltd is listed on the SIX Swiss Exchange under the ticker symbol "APEN" and is traded daily.

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