

PRESS RELEASE

Contact person:

David Östby

Telephone:

+46 8 505 885 20

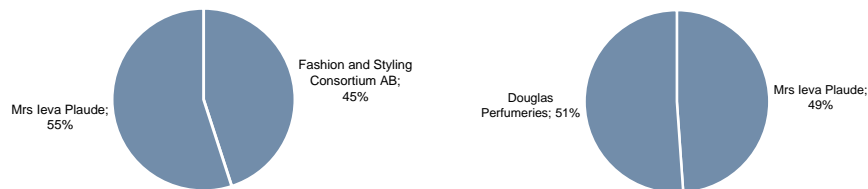
+46 70 601 21 88

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Fashion and Styling Consortium (FSC) divests its 45% share of Baltic cosmetics retailer to Germany's leading cosmetics chain Douglas Perfumeries

Fashion and Styling Consortium FSC AB (FSC) sells its 45% holding in Baltic Cosmetic Holding Retail to Douglas Perfumeries. At the same time Douglas Perfumeries acquires another 6% of BCH Retail from its founder Mrs Ieva Plaude. This makes Douglas Perfumeries BCH Retail's new majority owner.

BCH Retail ownership – before and after transactions

BCH Retail operates 78 perfumeries in Estonia, Latvia and Lithuania with a turnover of some EUR 35m. Several of the stores will in the near future be renamed to Douglas.

Douglas Perfumeries – Germany's leading cosmetics chain with sales of EUR 1.6bn in 18 countries – has since 2001 gradually been growing its focus and presence in Eastern Europe.

FSC – an investment vehicle controlled and managed by East Capital Private Equity – acquired its 45% share of BCH in September 2004 and has successfully managed to develop the company, increasing the number of retail outlets in the Baltics from 30 to 78 and the turnover from EUR 10m to EUR 35m.

"We are happy that we managed to expand BCH from a local Latvian player into a pan-Baltic chain with high international management standards", says Kestutis Sasnauskas, head of East Capital Private Equity.

Contact information:

Fashion and Styling Consortium (FSC), Mr David Östby, CEO, +46 70 601 21 88

Douglas Perfumeries, Mr Dieter Vennewald, CFO, +49 2331 690 151

BCH, Mr Andris Kudrjavcevs, CEO, +371 2945 3880

Mrs Ieva Plaude, +371 728 9493

Facts about East Capital

East Capital is a leading, independent asset manager specialising in Eastern European financial markets. The company, which is headquartered in Stockholm, with offices in Paris, Hong Kong, Tallinn, Moscow and Oslo, actively manages over EUR 4.7bn, basing its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by fund managers and analysts.