



Winch Capital 2, managed by Edmond de Rothschild Investment Partners, has invested in F.I.L.A., the international manufacturer of stationery products

WINCH Capital 2, the development capital fund managed by Edmond de Rothschild Investment Partners, has taken a minority stake in the Italian company F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. (“F.I.L.A.”).

Following the transaction Edmond de Rothschild Investment Partners together with the Intesa Sanpaolo group, a minority shareholder of the company since 1999, will together own about 25% of F.I.L.A.’s equity. The objective is to accompany F.I.L.A.’s further development and growth with the aim of listing the company on the stock exchange in the next 3 to 4 years.

Based in Milan, F.I.L.A. is a leading international player in writing instruments and graphic arts. The company is particularly active in the school segment where it commands a strong market position through iconic brands like Tratto, Giotto, Fila, Pongo, Das, and Lyra in Europe, as well as Ticonderoga, Dixon, Prang and Vinci in the US and Mexico.

Under the stewardship of Massimo Candela (45), CEO and F.I.L.A.’s majority shareholder, the company has experienced robust growth over the last ten years, tripling its sales to an estimated EUR 200m expected for 2010. The growth was achieved also through the acquisition of the US company Dixon Ticonderoga in 2005 and Germany’s Lyra in 2008 turning F.I.L.A. into an international player and the world’s N° 1 in graphite and coloured pencils. The group operates through a network of production facilities in Italy, France, Germany, Mexico and China with 57% of sales generated in Europe, 24% in North America, 17% in Central America and 2% in Asia.

Over the past few years, the school supplies market has proven very resilient despite the general crisis. In a context of timid recovery in 2010, F.I.L.A. is experiencing a strong growth in sales and an EBITDA above EUR 30m.

As to its future plans, F.I.L.A. intends to capitalise on its market position and expand into the key markets of India and Brazil in order to tap into the significant growth prospects provided by the increasing school enrolment rates.

The F.I.L.A. investment marks the first transaction in Italy for WINCH Capital 2. Edmond de Rothschild Investment Partners believes Italy presents substantial development capital and minority Owner Buy Out opportunities among growth oriented SMEs and wishes to capitalise on its expertise and gradually establish its franchise in the country. To do so, EdRIP has established a foothold in Milan through its exclusive partner, Mast Capital Partners, which is run by Luca Ravano and Massimo Massari, two seasoned Private Equity professionals.

Intesa Sanpaolo, has made around 60 investments in Italian companies through the Merchant Banking division of its Corporate department. The bank lends its support to Italian companies and SMEs in particular, primarily by making equity investments and offering guidance on governance and strategic development.

Press contacts :

Edmond de Rothschild Investment Partners

Sylvain Charignon, Associate Director – Tel : 00 33 [1] 40 17 69 30

Pierre-Michel Passy, President – Tel : 00 33 [1] 40 17 23 49

About Edmond de Rothschild Investment Partners

Edmond de Rothschild Investment Partners manages more than EUR 800m in development capital and venture capital. The company comprises 16 investment professionals all of whom have wide experience in Private Equity and industry. In capital development, Edmond de Rothschild Investment Partners runs WINCH Capital 2, an FCPR fund that raised EUR 250m in 2009 and which offers solutions to SMEs looking to grow or reorganise their shareholding structure. The preceding fund, WINCH Capital (EUR 165m) was launched in 2005 and is entirely invested in around 20 companies.

Edmond de Rothschild Investment Partners (site: www.edrip.fr) is an affiliate of La Compagnie Financière Edmond de Rothschild.

People/firms involved:

EdRIP:

- Milan: Massimo Massari and Luca Ravano (Mast Capital)
- Paris: Sylvain Charignon, Associate Director, Pierre-Michel Passy, Chairman

Advisors to EdRIP:

- Financial advisors: Lazard Italia
- Business due diligence: LEK consulting
- Financial due diligence: PwC
- Legal advisors: NCTM
- Tax advisors: Arsène

Advisors to Intesa Sanpaolo and the Candela family:

- Financial advisors: Leonardo & Co., Banca IMI
- Legal advisors: Marena Castorino D'Angelo & Fagotto, and the in-house legal team at Intesa Sanpaolo

Press contacts :

Edmond de Rothschild Investment Partners

Sylvain Charignon, Associate Director – Tel : 00 33 [1] 40 17 69 30

Pierre-Michel Passy, President – Tel : 00 33 [1] 40 17 23 49