



## **ODIEN TO ACQUIRE 50% OF WALTER ENGINES a.s.**

Prague, March 22, 2007 – Odien (“**Odien**”) and FFI Invest a.s (“**FFI**”), the 100% shareholder of Walter Engines a.s. (“**Walter**”) announced today the signing of a framework agreement for Odien’s acquisition of a 50% equity interest in FFI. The framework agreement also includes Odien financing Walter’s acquisition of the OEM business unit of AVIA, a.s. (“**AVIA**”), an Odien Group company. The transaction is subject to certain closing conditions.

Walter Engines a.s based in Prague manufactures and repairs aircraft engines and produces high-precision components for the aircraft industry. The company’s customers include major aerospace manufacturing companies including Rolls-Royce, SNECMA, ITP and Smiths Aerospace. Walter M601 turboprop engines are installed on more than 30 types of airplanes and the worldwide active fleet of engines exceeds 1 500 units. AVIA’s OEM business unit, located in the Avia Park site in the Letnany, Prague, consists of a machining shop and a tool shop supplying parts and services to customers in the automotive, transport, and aviation sectors. The combined entities are expected to have 2007 pro forma sales of CZK 800 million (USD 38 million) and 530 employees. All operations will be relocated into renovated facilities in Letnany, Prague by June 2008.

“We are investing in a company which we believe has the operational capabilities and management track record to be a platform for consolidation and growth in the aviation industry. Immediately following the integration of Avia’s OEM business unit, Walter will actively seek acquisition opportunities.” said Michael Saran, the Managing Director of Odien Group and the Chairman of AVIA, a.s.

“Odien as a strong financial investor will significantly improve our access to additional capital. In order to respond to the market demand we need to increase our production capacity. Synergies between Walter Engines and Avia OEM should help to achieve higher productivity within the consolidated group.” said Michal Cerny Chairman of FF Invest a.s. and Walter Engines a.s.

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## COMPANY PROFILES

**About Odién:** Odién is a private investment firm which specializes in corporate turnarounds and restructurings. The Odién Group is active in Central and Eastern Europe and has regional offices in Prague and Istanbul.

**About Walter:** Walter Engines a.s. is owned by FFI Invest a.s. Walter was founded in 1911 originally as manufacturer of motorcycle and automotive engines. The company started producing aircraft engines in 1923 and since this time has produced 37.000 engines. In addition to producing and overhauling WALTER M601 turboprop engines of its own production, Walter manufactures high precision machined parts for the aviation industry and counts a number of global aerospace manufacturers among its customers. The company also provides advisory services to manufacturers which are seeking certification as sub-contractors to the aviation industry. Walter Engines a.s. was acquired by FFI Invest a.s. in July 2006 through the management buy out (MBO) transaction from Walter a.s.. The company is scheduled to relocate into renovated facilities in Letnany, Prague by June 2008.

**About AVIA:** AVIA, a.s. is an Odién Group company. AVIA, a.s. based in a 65 hectare site in Prague, Czech Republic was founded as an aircraft and engine manufacturer in 1919. Odién acquired Avia from Daewoo Motor Corporation, Ltd in December 2004. AVIA was revived in 2005 through an aggressive restructuring and investment program following Odién's acquisition. Since this time the revenues of AVIA's OEM (Original Equipment) business unit have more than tripled and AVIA expanded its truck range from 6 to 9 tonne GVW (gross vehicle weight) to 12 tonnes. AVIA sold its Truck Business Unit to Ashok Leyland, Ltd. of India in October 2006 and its press shop in March 2007 to Grupo Estampaciones Sabadell s.l., a Spanish based global automotive parts supplier. Following the sale of its OEM Business Unit to Walter, AVIA's main business activities will be fleet and vehicle management, maintenance and logistics, and real estate and energy. AVIA recently expanded its fleet and vehicle management & maintenance and logistics activities and capabilities. The company's investment program also foresees upgrading its infrastructure and facilities on its 65 hectare AVIA Park site in Letnany, Prague.

