

XS Capital Completes the Sale of Matrix Group to EOS Group

XS Capital is pleased to announce the completed sale of its client, Matrix Holdings ("Matrix"), a receivables management company operating in South-Eastern Europe, to EOS Group ("EOS"), one of the leading financial services companies in Europe with revenues exceeding EUR 190 million. The internationally positioned financial services company acquired 100% of Matrix Holdings, one of the leading debt management groups in SE Europe which controls 4 subsidiaries through offices in Athens, Sofia, Skopje and Belgrade. An appropriate contract was signed by the two groups' CEOs on July 13 2005 in Hamburg, Germany.

Highlights from the transaction

"The expansion of EOS Group in South Eastern Europe where it is already present with offices in Romania and the Eastern European Countries will strengthen our market position particularly in our highest turnover business unit of receivables management. In this segment we are the first international company to open up the Greek market – an important strategic competitive advantage" explains Hans – Werner Scherer, CEO of the EOS Group commenting on the importance of the Matrix acquisition for EOS. He added, "Greece gives us access to a near maturity consumer credit and telecommunication receivables market with potential that's an important sector in our customer portfolio.

"The EOS Group's international network and the increased liquidity provided by our new, strong partner open up far-reaching prospects for us" explains Christos Savvides, the founder and CEO of Europe Matrix Group. "For example the company can now add debt purchase and B2B debt management to its range of services. Europe Matrix benefits from the EOS Group's uniform quality standards and the strong international brand." It's a text-book win-win situation" is how Christos Savvides, sums it up.

"The sale of Matrix is important for us as a springboard for further transactions in the European space and reinforces our position in the receivables management industry. This transaction is important for EOS as it allows it to expand in South Eastern Europe where it is already present and strengthen its market position. For Matrix shareholders we were able to provide value by unlocking liquidity and providing a strategic partner that can take Matrix to the next level" comments George Xydas, a managing director and partner of XS Capital which originated, negotiated and executed the transaction.



The Seller

With a workforce of 200, Europe Matrix offers receivable management services from offices in Athens, Sofia, Skopje and Belgrade to 35 banks, telecommunications and utility companies in South Eastern Europe. The company was founded in 2001, by Christos Savvides. The Limassol born entrepreneur was able to establish the company quickly in the receivables management industry by giving emphasis on highly trained staff, modern collection techniques and valuable MIS feedback to the clients. In the financial year 2004 the Group posted sales of EUR 2,5 million, an increase of 70% compared to the previous year. Financial institutions such as National Bank of Greece, EFG Eurobank Ergasias, Alpha Bank, Piraeus Bank and SG General Bank are among its prominent customers. Europe Matrix is a founding member of the Greek Debt Management Companies Association which is a member of the Federation of European National Collection Associations FENCA.



The Buyer

With more than 2000 employees operating in 13 countries, the EOS Group is one of the leading financial services companies in Europe. In its three business units of receivables management, information management and cash flow management, the EOS Group which belongs to the Otto Group generated sales of EUR 194 million in the financial year 2003-2004.

Since the 1990's the EOS Group has been realigning its strategy. Besides consistently expanding its product range, the financial services company has concentrated on opening up international markets with selective acquisitions. In addition to Germany and the 4 countries where Matrix is present, the Group is represented in the USA,

Switzerland, the Netherlands, Poland, Slovakia, Slovenia, the Czech Republic, Turkey, Hungary, the UK, Austria and Romania. EOS looks after more than 20.000 customers around the world including telecommunication companies, renowned banks, insurance companies, energy supply companies, industrial and retail enterprises.

About XS Capital

XS Capital "XS" is a pre-eminent investment house specializing in representing corporate sellers with the target of unlocking liquidity for the main shareholders. XS Capital has thrived through successfully initiating, negotiating, structuring, and closing mergers, acquisitions and divestitures in the South Eastern European area at purchase price premiums well in excess of industry norms.

XS also specializes in the structuring of alternative investment products, its newest product being a South East Europe Property Fund. XS has recently filed an application with the Cyprus Securities & Exchange Commission for obtaining an asset management license.

Contact:

George Xydas CFA
Managing Director & Partner
Tel: +35722460567
Fax: +35722460568
Email: george.xydas@xscapital.com.cy

Christos Spanos
Managing Director & Partner
Tel: +35722460567
Fax: +35722460568
Email: christos.spanos@xscapital.com.cy

For more information you can visit

www.xscapital.com.cy
www.eos-solutions.com
www.europematrix.gr