

Closed Joint Stock Company

“Glass Container Company”



Press Release

U.S. Ambassador to Moldova Visits Glass Container Company

Chisinau, Moldova – August 1, 2003 – Today U.S. Ambassador to Moldova Pamela Hyde Smith visited Glass Container Company (GCC), the leading manufacturer of dark green packaging for the beer, brandy, wine and sparkling wine industries of Moldova, Romania, Russia, and Ukraine. The Ambassador had the opportunity to tour the production facilities, as well as meet the management and shareholders of the company. One of the major shareholders in GCC is Western NIS Enterprise Fund, a private equity fund capitalized by the U.S. Government.

“GCC’s performance results are impressive, as is its resolve to pursue opportunities to maximize the benefits for its employees, customers and shareholders through increasing its production capacity,” stated U.S. Ambassador to Moldova Pamela Hyde Smith. “Much of these outstanding results stem from active and close cooperation of all GCC’s shareholders. I would like to recognize the role and the continued efforts of the Government of Moldova, one of GCC’s shareholders, in contributing to this success.”

GCC has achieved remarkable operational and financial results, as well as world-class quality levels of production as a result of intensive cooperation between the shareholders and management. In 2002, GCC sold over 109 million bottles, while its sales revenues totaled nearly \$15.3 million and its audited net income reached \$3.2 million. The year 2003 promises to be the best year in the history of the company - for the first six months of the year GCC sold over 66 million bottles (28% more than in the same period of last year) worth over \$8.9 million (21% increase versus the first half of 2002). These results were made possible by a concerted effort of GCC management to optimize production: its pack-to-melt ratio, used to measure glass production efficiency, is consistently above 90%, which is one of the highest production standards in the industry globally. Currently GCC produces over 60 different bottles, 70% of which are exclusively made by GCC at customers’ requests. The company has contributed 35 million lei (\$2.6 million) to the budget in the form of social contributions and taxes on an annual basis, employs 240 people and is a very active and supportive member of the Moldovan business community.

“We’ve successfully restructured this company. We are able to meet our obligations today and will in the future. With the approval and support of our shareholders and creditors, including the Government of Moldova, we are now positioned to upgrade our capacities and broaden the assortment of high-quality bottles for our customers,” said Oleg Baban, GCC’s General Director.

“Not only has the company been operating at full capacity for the last four years, but also selling its entire production output, a unique situation for an industrial company in Moldova. Moreover, in order to fulfill the needs of its permanent clients GCC has to import up to 4 million bottles monthly. We are firmly committed to further increasing our production capacity to take advantage of the strong growth potential for sales of high-quality bottles that the market offers.” added Mr. Baban.

GCC is a portfolio company of Western NIS Enterprise Fund (WNISEF), the region’s leading private equity fund that invests in small- and medium-sized private enterprises in Ukraine and Moldova. Since inception, WNISEF has invested approximately \$80 million in 24 companies in Ukraine and Moldova.

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