



Contact: Vienna, Austria – Robert Graffam (43-1-532265515)
United States - Nigel Adam (1-978-3381344)

Darby Closes EUR 300 Million (US \$411 Million) Central Europe Mezzanine Fund
Will become largest dedicated source of mezzanine funding in CEE

Vienna, Austria and Washington, DC, August 13, 2007 - Darby Overseas Investments, Ltd. (“Darby”), the private equity arm of Franklin Templeton Investments, announced that its Darby Converging Europe Mezzanine Fund (DCEMF) has closed to new investors with total capital commitments of EUR 248 million (US \$340 million).

After the expected refinancing of a EUR 65 million (US \$89 million) bridge loan, the final size of the Fund is expected to exceed EUR 300 million (US \$411 million), making it the largest dedicated source of mezzanine finance in Central and Eastern Europe. DCEMF extends mezzanine loans in CEE countries that are already part of the European Union as well as those aiming for membership in the future.

“Now that DCEMF is fully funded we look forward to deploying more capital in what we believe is a highly attractive market for mezzanine, and its unique role in supporting expansion and acquisitions,” said Darby Chief Executive Officer, Richard H. Frank. “These countries have a favorable investment climate due to continuing superior economic growth, spurred in part by the ongoing process of convergence with and integration into the EU.”

DCEMF has so far made five investments totaling EUR 64 million (US \$88 million). Its most recent was a EUR 20 million (US \$27 million) commitment to a leveraged buyout of DDSG Cargo Group, a leading river transportation company based in Vienna. Robert D. Graffam, Darby’s Senior Managing Director – Europe, commented: “Within our target region, which stretches from the Baltics to Turkey, we continue to pursue opportunities to provide risk capital to companies active in a broad range of sectors and sponsored by either financial investors or local entrepreneurs.”

Darby has played a pioneering role in bringing mezzanine – a hybrid of both debt and equity - to emerging market regions, initially Latin America, then to Asia and more recently to CEE. DCEMF has also invested in AS Rigas Piensaimniekes, a major dairy products concern in Latvia; UNO, the leading industrial bakery in Turkey; Ceske Radiokomunikace, the dominant broadcast and leading alternative telecommunications services provider in the Czech Republic; and FiberNet Group, one of the top CEE cable television operators, offering cable television, broadband internet and telephony services with a focus on Hungary, Bulgaria and Ukraine

Darby Overseas Investments was founded in 1994 by The Honorable Nicholas F. Brady, who served as U.S. Secretary of the Treasury between 1988 and 1993. In 2003 Darby became a fully owned subsidiary of Franklin Resources, Inc. [NYSE:BEN], a global investment management organization operating as Franklin Templeton Investments. Franklin Templeton Institutional, part of Franklin Templeton Investments, provides global and domestic investment management solutions managed by the Franklin Global Advisers, Templeton, Franklin Templeton Fixed Income, Franklin Templeton Real Estate Advisers, Darby, and Mutual Series investment management teams. The San Mateo, California-based company has 60 years of investment experience and US\$621.5 billion in assets under management as of July 31, 2007.

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