

Red Diamond Capital and MC Capital Inc. Acquire Avon Automotive

NEW YORK (August 14, 2006) – Mitsubishi International Corporation Affiliate Red Diamond Capital, a private equity investment firm based in New York, announced today its acquisition of Avon Automotive, an international manufacturer of engineered rubber components for the automotive industry*. The total purchase price is £63 million (approximately \$120 million), before working capital adjustments. The acquisition will be a leveraged buyout with roughly \$80 million as debt finance and \$40 million as equity. Together with Red Diamond, MC Capital Inc., an investment arm of Mitsubishi Corporation's New Business Initiative Group Financial Services Division, will be investing in approximately 40% of the equity of Petrol Automotive Holdings*.

The current management team of Avon Automotive, including CEO Lee Richards, participated alongside Red Diamond in the management buyout of the company. Avon Automotive, with annual revenues of approximately \$350 million, is a leading global supplier of low-pressure rubber and plastic hoses for air induction, fuel and coolant systems, as well as vibration management products. Headquartered in Cadillac, Michigan, Avon Automotive operates 12 manufacturing facilities in the United States, Mexico, the United Kingdom, Spain, Portugal, France, the Czech Republic, Turkey and India.

Avon Automotive is the former automotive parts division of parent company Avon Rubber plc, a British company listed on the London Stock Exchange. Avon Rubber, a supplier of engineered polymer products to the engineering, dairy, and defense markets worldwide, announced that its board of directors had made a strategic decision to divest the automotive business to focus on Avon Rubber's growing respiratory protection and defense businesses.

"We are very excited to partner with Lee Richards and the management team of Avon Automotive," noted Bret E. Russell, managing director and CEO of Red Diamond. "The automobile parts industry worldwide has and will continue to experience sustained growth, and we expect to expand Avon Automotive's business further through Red Diamond's partnership with Mitsubishi Corporation."

With the support of Red Diamond and indirect parent company Mitsubishi Corporation, Avon Automotive will have additional opportunities for internal growth and strategic

* This acquisition was made through Petrol Automotive Holdings Inc., a company established and controlled by Red Diamond.

acquisitions. Avon Automotive has a strong competitive position as a result of its low cost production facilities and strong engineering, product development and program management capabilities. Through the global resources and relationships of Mitsubishi Corporation, Avon Automotive expects to diversify its customer base further by expanding its sales to growing Asian automotive manufacturers and suppliers. In addition, Mitsubishi Corporation's worldwide business groups can assist Avon Automotive in purchasing raw materials at more competitive prices, while Mitsubishi Corporation's strong network in China will aid the company in establishing an Asian manufacturing base. To ensure this strategy is laid out, the two companies have decided to maximize the synergy through co-investment in Avon.

Although Red Diamond is fundamentally a financial investor, Mitsubishi International Corporation established Red Diamond in 2002 as a part of a strategy to extend its involvement in promising fields with growth potential in North America. With committed capital totaling \$150 million from Mitsubishi International Corporation, as well as global network opportunities provided by Mitsubishi Corporation, Red Diamond's strategy is to focus on investments in middle-market manufacturing service and distribution businesses in North America with revenues up to approximately \$400 million.

About Red Diamond Capital

Formed in 2002, Red Diamond Capital is a \$150 million private equity fund that invests in middle-market manufacturing, service and distribution businesses in North America.

With its committed capital provided primarily by Mitsubishi International Corporation, the US subsidiary of Mitsubishi Corporation, Japan's leading trading company, Red Diamond offers a unique mix of strategic resources, industry-focused capital and management expertise to fuel the growth of its portfolio companies.

About Avon Automotive

Avon Automotive is a leading supplier of low-pressure rubber and plastic hoses for air induction, fuel and coolant systems, as well as vibration management products. The company has annual revenues of approximately \$350 million and serves the automotive, heavy truck, small engine and recreational vehicle industries in North America and Europe. Avon Automotive operates 12 factories worldwide and has been an industry leader in establishing manufacturing operations in low cost countries, such as Portugal, Turkey, Mexico, the Czech Republic, and India. Avon Automotive has 3,500 employees worldwide and is noted for its strong engineering, product development and program management capabilities.

About Avon Rubber plc

Established in 1885, Avon Rubber is a UK-based manufacturer of engineered rubber products operating mainly in North America and Europe. The company's total revenues were approximately £240 million in the fiscal year ended September 30, 2005. Avon Rubber's products are sold principally to the respiratory protection, defense, dairy, aerosol gasket and engineered fabrication markets.

About MC Capital Inc.

Established in 1991, MC Capital is a 100% subsidiary of Mitsubishi Corporation's New Business Initiative Group. Since its establishment, MC Capital has focused its attention towards investing in private equity funds and corporations in North America. MC Capital will continue to invest in the automotive parts industry and other industries, which need restructuring in North America.

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