

# NORDIC CAPITAL

*Press release November 9, 2005*

## **Nordic Capital to sell Ahlsell to Cinven and Goldman Sachs Capital Partners**

**Nordic Capital funds have entered a binding agreement to sell all interest in Ahlsell, the leading Nordic distributor of installation-related products, to an entity jointly controlled by Cinven Ltd. and Goldman Sachs Capital Partners, two of Europe's leading private equity investors. The parties have agreed to not disclose the transaction value.**

Ahlsell is the leading Nordic wholesaler of installation-related products to the heating & plumbing, electrical, tools & machinery, refrigeration, and DIY sector. The company has an annual turnover of approx. SEK 17 billion (EUR 1.8 billion) and has about 4,000 employees. Ahlsell's business idea is to connect an extensive supplier base to its 100,000, often small-scale customers through strong local presence through its 175 outlets, dedicated sales representatives and an unrivalled logistics set-up.

Ahlsell has grown by more than 15% per annum, organically and through targeted acquisitions, since Nordic Capital's acquisition of Ahlsell in 1999. Today Ahlsell is the largest player across the Nordic region. During the last 6 years Ahlsell has acquired 16 companies with a combined turnover of approximately SEK 8 billion (EUR 0.8 bn). In addition to growing rapidly, Ahlsell has also managed to improve its geographic and market footprint considerably while at the same time increasing profitability.

"Through solid organic growth and strategic acquisitions in the Nordic area, Ahlsell's market position has strengthened considerably", say Ulf Rosberg and Joakim Karlsson, Partners at Nordic Capital and board members of Ahlsell. "Ahlsell's turnover has more than doubled going from SEK 7 to 17 billion (EUR 0.7 bn to EUR 1.8 bn) combined with good earnings growth and cash flow generation. Management, together with all of Ahlsell's employees, has done a fantastic job in developing the business, which in 1999 was a predominantly Swedish operation, into a truly pan-Nordic integrated company."

"We welcome Goldman Sachs Capital Partners and Cinven as owners of Ahlsell. They are both leading companies in private equity investing and Ahlsell has had positive experience with this type of owner. Goldman Sachs Capital Partners and Cinven have shown great interest in and have a solid knowledge of our company and we look forward to the continued profitable growth of Ahlsell together with our new owners", says Göran Näsholm, President and CEO of Ahlsell.

"We are delighted to take joint ownership of Ahlsell with Goldman Sachs Capital Partners and management. This is a sector we know well and we believe that the company has a tremendous position in its chosen products and regions. There are significant opportunities for the further development of this business and we look forward to working with the management team", says Guy Davison of Cinven.

"We have great confidence in the team of management and employees at Ahlsell, who have an excellent track record of successful growth, both organically and through acquisitions. We fully support the company's current strategy and look forward to working in partnership with our co-owners and management to realize the company's potential", adds Sanjay Patel of Goldman Sachs Capital Partners.

The completion of the transaction is subject to approval by the relevant competition authorities.

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**Nordic Capital** is a leading private equity firm focusing on investments primarily in the Nordic middle-market arena. The firm has a strong investment track record, an extensive network of contacts and firsthand knowledge of local industries and business practices. Since its inception in 1989, Nordic Capital has invested in more than 60 Nordic based companies operating in a range of segments and sectors. Nordic Capital's proven investment strategy creates value by actively implementing key value drivers such as new industrial combinations, strategic repositioning and internationalization. A range of leading Nordic and international institutions are investors in Nordic Capital funds. [www.nordiccapital.com](http://www.nordiccapital.com).

**Ahlsell** is a leading trading company in the Nordic region offering the most extensive range of products within the Heating & Plumbing, Electrical, Tools & Machinery as well as Refrigeration area. The group has an annual turnover of around SEK 17 billion (EUR 1.8 bn) and some 4,000 employees. Ahlsell has a comprehensive network of local facilities in Nordic region with a unique logistics solution that makes the company a strong trading partner for both the customers and suppliers. [www.ahlsell.com](http://www.ahlsell.com).

**Cinven** is one of the most prominent and successful investors in the European buy-out market. It has led transactions with a value in excess of EUR 50 billion. From its offices in Frankfurt, London and Paris, Cinven focuses exclusively on creating value in companies headquartered in Europe, which have a minimum enterprise value of EUR 500 million and are market leaders or have the potential to become such. Established in 1977, the firm has been a totally independent business since 1995. Its current fund, which closed at EUR 4.4 billion in April 2002, is one of the largest sources of private equity dedicated solely to European buy-outs. Cinven's recent investments include Eutelsat (EUR 4.4 bn), World Directories (EUR 2.1 bn), Vendex (EUR 2.5 bn) and Springer (EUR 1.6 bn). [www.cinven.com](http://www.cinven.com)

#### **Goldman Sachs Capital Partners**

Goldman Sachs has a long history of investing its capital in a variety of businesses and transactions. Since 1986, Goldman Sachs has invested over USD 17 billion of equity in over 500 companies globally through investment partnerships. In April 2005, Goldman Sachs closed the GS Capital Partners V Fund with \$8.5 billion in committed capital. The firm committed in excess of USD 2.5 billion, or 30%, of the Fund's total capital. Other investors in GS Capital Partners V are part of the firm's network of qualified institutional and high net worth clients. Goldman Sachs Capital Partners has a strong track record of successful private equity investing in Europe. Recent examples include ISS, one of the world's largest facility services groups (EUR 4.2 bn); Eutelsat, (EUR 4.4 bn); and Kabel Deutschland (EUR 1.7 bn). [www.gs.com/client\\_services/merchant\\_banking/pia](http://www.gs.com/client_services/merchant_banking/pia)