INDUSTRI KAPITAL

PREVESTA
ATTRAKTIVT BOENDE

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Industri Kapital sells Prevesta to Block Watne Group for SEK 1,900 million

Block Watne Group (BWG), one of Norway's leading housebuilders and listed on Oslo Børs, has entered an agreement with the Industri Kapital 2004 Fund to buy 100 per cent of the shares in Prevesta, Sweden's leading producer of prefabricated houses with the brands Myresjöhus and SmålandsVillan. In 2006, Prevesta had a turnover of SEK 1,756 million (approx. EUR 189 million) and an operating profit of SEK 191 million (approx. EUR 21 million).

The purchase price amounts to SEK 1,900 million (approx. EUR 204 million) which includes the transfer of debt and shareholder loans of SEK 381 million (approx. EUR 41 million). The consideration consists of approximately SEK 1,215 million in cash (approx. EUR 131 million) and 6,502,242 shares in BWG (representing approx. 12.6% of the shares in BWG after the transaction). By means of the transaction, the Industri Kapital 2004 Fund will become one of the largest shareholders in BWG.

In March 2005 the Industri Kapital 2004 Fund acquired Prevesta. During Industri Kapital's ownership a significant restructuring effort has taken place. A branding strategy was successfully introduced, with the brands Myresjöhus and SmålandsVillan meeting the needs of different customer groups. At the same time, further rationalisations of production were initiated, including the introduction of common product platforms and brand independent production. Investments have been made in additional production capacity, including the establishment of a new factory in Sundsvall. Major focus has also been placed on project development. These initiatives together with good market development have enabled Prevesta's strong growth in terms of turnover and profitability. Prevesta is now a leader in Sweden – measured both by the number of single-family houses delivered and turnover.

Michael Rosenlew, Partner at Industri Kapital says, "Prevesta has been a fantastic investment for us. During Industri Kapital's ownership the company has improved its financial performance and has strengthened its position in Sweden to become the leading producer of single-family houses. The recent investments and restructuring efforts have also created the foundation for further growth and profitability for the company. We are also pleased to become a major owner in BWG and are impressed with the company's strong performance during the past few years. The combined company has excellent prospects for further successful growth and development."

Lars Nilsen, President and CEO of BWG says, "BWG has, for a period of time, screened the market for possible acquisition targets outside of Norway. Swedish Prevesta, with its excellent brands Myresjöhus and SmålandsVillan, fulfils all the criteria BWG have defined for the

evaluation process. Prevesta's management has shown strength and ability to take action by managing to turn the company into a high performer. Management has displayed an ability to grow the business without margin erosion and has created a financially sound operation. The acquisition of Prevesta rests on a strong industrial logic and provides the foundation for future profitable growth for BWG."

Mikael Olsson, CEO of Prevesta says, "Industri Kapital has been a good owner. The recent years have been an exciting time for the company and the restructuring effort during Industri Kapital's ownership has resulted in considerable investments and a strong financial performance. We are pleased that the new owner of Prevesta will be BWG, a successful industrial partner with a long-term focus. The two companies complement each other well in particular in terms of know-how and market positions and we look positively on the future."

The transaction is conditional of approval by the Swedish Financial Supervisory Authority (Finansinspektionen) and the Financial Supervisory Board in Luxemburg.

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Industri Kapital
Industri Kapital is a European private equity firm with Nordic roots, managing close to EUR 4 billion euros in fund commitments. Since 1989, Industri Kapital has acquired 64 European companies. The current portfolio encompasses 24 companies with a total turnover close to EUR 8.6 billion. Industri Kapital invests mainly in mid-sized companies with strong cash flow and profit improvement potential, operating in mature industries with fundamental underlying growth.

For more information: www.industrikapital.com

Prevesta
Prevesta Group, Sweden's leading producer of prefabricated houses, with the brands Myresjöhus and SmålandsVillan, is headquartered in Myresjö in the province of Småland. Since its inception in 1927, Prevesta has delivered more than 80,000 houses. In 2006, the Group had a turnover of SEK 1,756 million (approx. EUR 189 million) and an operating profit of SEK 191 million (approx. EUR 21 million). The company has production facilities in Myresjö, Vrigstad and Sundsvall and currently has approx. 530 employees.

Prevesta's operations are divided into two business areas:

- **Myresjöhus:** Development, production and marketing of prefabricated houses under the Myresjöhus brand for the Swedish, Norwegian and Finnish markets, including both single family houses and housing estates.

- **SmålandsVillan:** Development, production and marketing of prefabricated houses using volume technique under the SmålandsVillan brand for the Swedish, Norwegian and Finnish markets.

For more information: www.prevesta.com

Block Watne Group
Ranked as one of Norway's leading housebuilders, BWG covers the purchase and development of sites as well as the construction and sale of dwellings to private buyers. The Group has built over 80,000 homes in total, and completes more than 1,000 new houses a year and has a stock of building land corresponding to some 12,000 dwelling units. Around 400 of its 600 employees are skilled carpenters working in specialised teams. Each house is built from scratch using well-proven and cost-effective methods developed over many years. Block Watne has 21 offices around Norway, with the emphasis on attractive housing developments outside the most densely-populated areas. Its 2006 the turnover was NOK 1,529 million (approx. EUR 187 million) and the operating profit (EBIT) was NOK 241 million (approx. EUR 29 million).

For more information: www.blockwatne.no