



## **PRESS RELEASE**

### **IK INVESTMENT PARTNERS ACQUIRES AXSTONE FROM ADVENT INTERNATIONAL**

***London & Warsaw - Advent International, the global private equity firm, today announced agreement to sell Axtone S.A. (www.axtone.eu), Europe's largest rail freight buffer manufacturer, to the Pan-European private equity firm IK Investment Partners ("IK"). Terms of the agreed sale, which is subject to regulatory approval, were not disclosed.***

Advent acquired Kamax, a mid-sized Polish business, in January 2006. The company was at that time a Polish-based market leader in rail wagon buffers, coupling and shock absorber manufacture and maintenance, with an excellent engineering base and strong presence in Russia, but struggling to gain traction in Western Europe.

Advent simultaneously purchased Keystone Bahntechnik, the German market leader in rail wagon buffers, crash systems and coupling devices, supplying OEMs across Europe and the Middle East. Both businesses were rapidly integrated. The combined group, renamed Axtone, created Europe's biggest company in the sector, headquartered in Kanczuga, Poland.

Advent recruited Marcin Kowalczyk, a former senior executive at ABB, as CEO of Axtone to lead management and the 600-strong workforce in successfully consolidating both companies and expanding the business across Europe and in Asia.

Axtone achieved growth in both Western Europe and the world's most rapidly growing rail markets, including Russia, Ukraine, China and India. Turnover for Kamax on acquisition was 24 million euros and the combined companies had turnover of 49 million euros in 2006. Axtone anticipates turnover this year in excess of 70 million euros.

The transaction is IK's first direct investment in the region and marks the start of the firm's plans to invest directly in Poland, Czech Republic, Slovakia, Hungary and the Baltic States, in addition to its operations in Benelux, France, Germany and Scandinavia.

Axtone is also IK's first investment in the railway industry, at a time when demand for rail transport products and services is expected to benefit from more global trade using rail, driven by increased rail infrastructure investment, environmental priorities and high-fuel costs.

Detlef Dinsel, Managing Partner responsible for Germany and the CEE region at IK, said: "We are delighted to acquire Axtone, a leading European supplier to the rail industry in Poland and Germany. We are looking forward to working jointly with Axtone management in

further developing the company into a global leader for shock absorption technology for railways. Our intention is to apply IK's successful buy-and-build strategy and to capitalise on growth opportunities as rail networks are expanded and modernised in many countries. This transaction represents IK's first direct investment in the growing CEE region and we are very excited about the prospects of being an active investor in such a dynamic region."

Monika Morali-Efinowicz, Head of Advent International in Poland, commented: "Together with Axtone's management, we have implemented a successful growth programme and transformed a mid-sized Polish company into a market leader in both Eastern and Western Europe, with a developing business in the key markets of Russia, India and China. Axtone demonstrates our ability to accelerate growth in CEE companies, particularly when that growth involves international expansion, access to new markets and technologies."

Advisers to Advent were: Close Brothers (M&A), Clifford Chance (legal), Ernst & Young (financial and tax), Environ (environmental) and LEK (commercial). Advisers to IK were: Société Générale (M&A), Freshfields (legal); Clifford Chance (legal financing), BCG (commercial), E&Y (financial), Unicredit (Austria Creditanstalt) (financing), Golder (environmental), Marsh (insurance).

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## NOTES TO EDITORS

### **About IK Investment Partners**

IK Investment Partners ("IK") is a European private equity firm, having raised a total of EUR 5.7 billion, including EUR 1.7 billion in the latest fund IK2007. Since 1989, IK has acquired 67 European companies. The current portfolio encompasses 20 companies with a total turnover close to EUR 7 billion. IK 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 visit our new website: [www.ikinest.com](http://www.ikinest.com)

### **About Advent International**

Founded in 1984, Advent International is one of the world's leading global buyout firms, with offices in 15 countries on four continents. A driving force in international private equity for more than two decades, Advent has built an unparalleled global platform of over 115 investment professionals across Western and Central Europe, North America, Latin America, and Asia. The firm focuses on international buyouts, strategic restructuring opportunities and growth buyouts in five core sectors, working actively with management teams to drive revenue and profit growth in portfolio companies. Since inception, Advent has raised \$24 billion in private equity capital and completed more than 200 buyout and private equity transactions valued at over \$36 billion in 35 countries. Advent has been investing dedicated funds in Central & Eastern Europe since 1994 and closed its fourth fund for the region, at 1 billion euros, in April 2008. For more information, visit [www.adventinternational.com](http://www.adventinternational.com)