



INDUSTRI KAPITAL

Press Release

09 February, 2005

Industri Kapital divests Arca Systems to Schoeller Wavin Systems, a portfolio company of Stirling Square Capital Partners

Industri Kapital has agreed to sell Arca Systems, the European market leader in products and systems for materials handling, to the Dutch group Schoeller Wavin Systems, a portfolio company of Stirling Square Capital Partners, for approximately €190 million. The combined group, Schoeller Arca Systems, will be the global market leader in plastic returnable packaging for material handling, with aggregate annual sales of approximately €520 million and 1750 employees.

Arca and Schoeller Wavin are both already recognised as market leaders. Arca holds a leading position in the European market within plastic returnable packaging used in a wide variety of industries, while Schoeller Wavin enjoys a similar position in crates and trays for beer and other beverages. The two companies have more than 30 production and sales operations in the majority of European countries and on the American continent.

“The combination of Arca and Schoeller Wavin is a perfect fit, the companies are very complementary both in terms of products and geography. Together we will be able to provide our customers with a broad product offering and we will increase our overall global presence,” says Wiking Henricsson, CEO of Arca Systems, who will now become Vice Chairman of the Board of the new company.

Since Industri Kapital’s acquisition of Arca in 1998, the company has successfully established a platform for growth by developing new and innovative products and systems in close cooperation with its customers. The company has increased its efficiency and reduced costs through significant production restructuring and operational reengineering whilst non-core businesses have been divested.

“For Industri Kapital’s investors the Arca investment has been highly successful. The company has turned losses into good profitability since our acquisition whilst a number of exciting products have been launched by Arca during this time. Wiking Henricsson and his team have done an extraordinary job in firmly positioning Arca as the leading materials handling company in Europe and North America,” says Christian Salamon, Partner of Industri Kapital and member of the Arca Board.

“The global market for returnable plastic containers grows by 4 to 6 per cent per annum driven by the huge advantages over traditional materials like wood, steel and cardboard. Through our creativity and innovation in the development of cost saving solutions, we will be able to capitalize on various market opportunities,” states Schoeller Wavin’s CEO René Wolfkamp, who will also become CEO of Schoeller Arca Systems.

Arca's sales have grown from approximately €145 million (like for like) in 1997 to approximately €220 million in 2004. During the same period the operating margin (EBITA) has turned from negative to approximately 7 per cent.

Industri Kapital's advisors:

M&A: JP Morgan

Legal: Mannheimer Swartling

Audit: PricewaterhouseCoopers

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About Industri Kapital

Industri Kapital is a European private equity firm with Nordic roots, managing close to €4 billion in fund commitments from Nordic, European and international institutional investors. Since 1989, Industri Kapital has acquired 49 European companies. The current portfolio encompasses 25 companies with a total turnover close to €10 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. Over the years, Industri Kapital has developed significant experience within a number of industry sectors, primarily the manufacturing and service industries.

About Arca Systems

Arca Systems operates in 30 countries in Europe, North America and Asia, and is a market leader in products and systems for materials handling. Arca Systems' head office is located in Malmö, Sweden. The company has a turnover of €220 million, and approximately 900 employees. 93 per cent of Arca's total sales are outside Sweden.

About Schoeller Wavin Systems

Schoeller Wavin Systems has operations and license partners in 36 countries and is the market leader in products for the beer and other beverages industry, and pool organisations. The company employs approximately 850 people and has a turnover of €300 million. Their head office is located in Vilsteren/Hardenberg, The Netherlands.

About Stirling Square Capital Partners

Stirling Square Capital Partners is a pan-European mid-market private equity firm with \$250 million of committed capital from Citigroup. Stirling Square Capital Partners invests in European companies with enterprise values in the €50 million - €500 million range, operating across a broad range of sectors and industries. Target companies are sector leaders with international aspirations, defensible competitive advantages, and talented management teams capable of executing a clearly defined value creation strategy