

Press release

8 September 2014

IK VII Fund in exclusive discussions to acquire Exxelia Group from LBO France

IK Investment Partners ("IK") has entered into exclusive discussions with LBO France to acquire Exxelia Group ("Exxelia" or the "Group"), a global leading manufacturer of customised passive components. Financial terms of the transaction are not disclosed.

Headquartered in Paris, France, Exxelia develops and manufactures customised passive components for high-tech applications with a comprehensive product range including capacitors, inductors, filters and sensors. The Group, employing 1,200 employees across eight subsidiaries, operates in Europe, the US, Asia and Africa. For more than 50 years, Exxelia has been developing products with the highest level of reliability to meet the requirements of aerospace, defence, rail, medical, oil & gas and telecommunications blue-chip customers. The Group markets its products under various brands to reflect its multi-technology positioning: Eurofarad, Dearborn, Microspire, Firadec, Sic Safco, Temex Ceramics, Astema and Vertura. Total revenue for the 2013 amounted to €115 million. The Group was acquired in 2010 by LBO France.

The sale follows the refinancing of €175 million of debt, composed of €45 million of mezzanine and €130 million of senior debt, put in place in March 2014.

"We are very excited about the acquisition of Exxelia, as the Group has a solid track-record and a highly experienced management team. Furthermore, Exxelia has successfully initiated an internationalisation strategy, both organically and via acquisitions. In 2011, the Group acquired Dearborn Electronics headquartered in Florida and who specialises in film capacitors for the aerospace and defence industries, which not only strengthened Exxelia's market presence in the US but also complemented the Group's product range. We look forward to continuing this work, together with management, strengthening the Group's position further in the US as well as other strategic markets in Europe and Asia," says Dan Soudry, Partner at IK and advisor to IK VII Fund.

Jérôme Guez, Partner with LBO France, declared: "We are proud to have accompanied Exxelia since 2010, notably in its international development through the strategic build-ups of Temex and Dearborn whose commercial synergies enabled Exxelia to bring its offer into new markets. Under LBO France's era, Exxelia's turnover grew by 55% (€74 million in 2010 to 115 million in 2013)."

"IK's previous experience of developing companies into international leaders is extremely valuable for us. We thank LBO France for their support and look forward to working together with IK as we realise our global growth ambitions," says Christophe Malrin, CEO of Exxelia.

Exxelia is the fifth investment by the IK VII Fund, which invests in pan-European mid-sized companies that have strong profit improvement potential. The other investments are: Hansen Protection, the Norwegian specialist in survival suit rental; Ampelmann, a market leader in rental of Motion Compensated Gangway (MCG) systems to the offshore energy sector based in the Netherlands; VPS, a global leader in fuel management services; and Ramudden, a leading specialist provider of temporary traffic control services.

Completion of the transaction is subject to legal and regulatory approvals.

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Parties involved

Buyside

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Strategic DD: A.T. Kearney (Jérôme Souied, Charles David, Alexandre Rayne)

Financial DD: 8 Advisory (Justin Welstead, Mathieu Morisot, Aynard de Chevron Villette)

Legal DD & Corporate: White & Case (Vincent Morin, Camille Note, Orion Berg, Richard Burke, Laetitia Ghebali)

Tax DD and Structuring: White & Case (Norbert Majerholc, Marcus Schmidbauer)

Sellside

LBO France - Jérôme Guez

Legal advisor: Mayer Brown (Serge Levine, Marie Pouget)

Exxelia Group - Christophe Malrin

Financial advisor: Canaccord Genuity (Nadim Barouki, Gregoire Le Sourd)

Legal advisor: Delaby & Dorison (Emmanuel Delaby, Alexandre Gaudin)

About IK Investment Partners

IK Investment Partners (“IK”) is a Pan-European private equity firm focused on investments in the Nordics, DACH region, France, and Benelux. Since 1989, IK Funds has invested in 85 European companies, through its raised capital of over €7 billion. IK Funds invests with the management of mid-sized companies that have strong improvement potential, operating in the business services, care, industrial goods and consumer goods sectors. The current portfolio comprises 19 companies. For more information visit: www.ikinvest.com

About LBO France

LBO France is an independent private equity firm with €4bn under management. LBO France is 100% owned by its management in place since 1998 and boasts a team of over 45 professionals. With the White Knight funds, LBO France invests in French champions, either already present or with strong potential for development abroad. LBO France accompanies them providing skills and financial means to foster growth, be it organically, through build-ups or operational optimisation. White Knight focuses on companies whose enterprise value is between €100 million and €2.5 billion. Since 1998, over 26 acquisitions have been carried out over six generations of funds. For more information visit: www.lbofrance.com

About Exxelia Group

Exxelia Group is the European leader and a key world player on the market for customised passive components. The Company specialises in the aeronautics, defence, medical equipment, satellite, telecom infrastructure, railway and oil prospecting markets. For more information visit: www.exxelia.com