

Kid



June 30, 2005

Industri Kapital acquires 75 percent of Kid Interiør

The Industri Kapital 2004 fund will acquire 75 percent of the leading Norwegian home textile retailer Kid Interiør from its family owners who will retain a 25 percent holding.

Kid Interiør is Norway's leading home textile retailer with a strong position in a market worth approximately NOK four billion (EUR 500 million) per year. With a turnover of NOK 716 million (EUR 90 million) in 2004, Kid Interiør has demonstrated an annual average growth of 27 percent since 1998. During the same period the number of wholly owned stores has grown from 25 to 90, with further store openings planned for 2005.

“There is a positive consumer trend for interior decoration and home furnishings and we believe there will be continued growth in this segment during the coming years” commented Trygve Grindheim, Partner at Industri Kapital, adding “Kid Interiør has a strong track-record of high and profitable growth and benefits from a unique position in the Norwegian market. The Gundersen family and existing management have successfully developed the company to its present strong position and we look forward to working with them. Our intention is to continue to build on Kid's position as the leading Norwegian home textile retailer, and we see many opportunities to expand the business further, both in Norway and abroad”.

Kid Interiør is currently owned by Jul A. Gundersen and his son, J. Andrew Gundersen. Following the acquisition J. Andrew Gundersen will step down from his current position as CEO but will join the Board of Directors. The present Deputy CEO, Anne Karine Stenshorne, will take over as CEO. Anne Karine has worked in the company since 1985 and has been instrumental to the company's successful development over the last 10 years.

“As the company has been owned by our family for three generations we felt it was time to bring on board an external owner who can take the company into its next development phase. Against this background the family looked for a partner with both retail experience and financial resources in order to better take advantage of the expansion opportunities we see in our markets. We are very pleased to have Industri Kapital join us as owners and we look forward to continue developing the company together with them” commented J. Andrew Gundersen, third generation family owner.

“We will continue to focus strongly on offering our customers the best products at the most attractive prices whilst also adapting to any trends in the market place. I am incredibly proud of Kid Interiør and what we have achieved so far, and very pleased to have the opportunity to work with Industri Kapital and all the employees at Kid to further develop the business” commented Anne Karine Stenshorne of Kid Interiør.

DnB NOR Markets and Thommessen Krefting Greve Lund have acted as advisors to the Sellers, while Industri Kapital was advised by ABG Sundal Collier and Wikborg, Rein & Co. Debt for the transaction will be provided by DnB NOR.

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Kid Interiør

Kid Interiør was established by Jul Andrew Gundersen in 1937 as JAG shoe factory. The first shop was opened in Drammen in 1953 and was called “Fabrikkutsalget” (Factory Outlet). The company changed its name to Kid Interiør in 1994, and further introduced the trade name Kid for selected products.

Today Kid is the leading home textile retailer in Norway with 90 wholly-owned stores across the country. Turnover has increased from NOK 170 million (EUR 21 million) in 1998 to NOK 716 million (EUR 90 million) in 2004, representing an annual growth of 27 per cent. During the same period the number of wholly-owned stores has increased from 25 to 90.

Kid is headquartered in Drammen, Norway and employs approximately 1,000 people.

Industri Kapital

Industri Kapital is a European private equity firm with Nordic roots, managing close to 4 billion euros in fund commitments. Since 1989, Industri Kapital has acquired 50 European companies. The current portfolio encompasses 22 companies with a total turnover close to 7.5 billion euros.

Industri Kapital invests mainly in mid-sized companies with strong cash flow and profit improvement potential, operating in mature industries with fundamental underlying growth. Previous IK investments in the retail and distribution sector include the following Scandinavian companies: Ellos, Europris, Guldfynd, Hjem-Is, and Lindex.

Industri Kapital’s previous investments in Norway include Liva Bil (1991, listed on the Oslo Stock Exchange in 1993), Kongsberg Automotive (1999 from Oslo Stock Exchange and sold in 2001), Dyno Nobel (2000 from Oslo Stock Exchange, still held), and the hard discount retailer Europris (2004 from founding family).