



INDUSTRI KAPITAL



Press release

25.04.2007

Industri Kapital in exclusive negotiation to sell Ceva Santé Animale

Industri Kapital has reached an agreement to sell the veterinary laboratory to its management, associated with a consortium of investors grouping Euromezzanine, Natexis Industrie and Natixis Investissement.

Industri Kapital and management acquired Ceva Santé Animale, 10th veterinary laboratory worldwide, in 2003 from PAI.

During the four years of joint Industri Kapital and management ownership, Ceva's sales grew by 60%, to reach an estimated EUR 340 million in 2007. The group's EBITDA doubled over the same period. This exceptional performance is attributable to strong organic growth, supported by an ambitious Research & Development programme together with substantial industrial investments focused, among others, on the biological and companion animal activities. Ceva's fast growth was also made possible by the success of a dynamic, international external growth strategy. The Group has completed six acquisitions since 2003 and established itself on the North American market through the acquisition of Biomune in 2005.

Ceva's outstanding results and the efforts made by management enable Industri Kapital to realise an overall return close to 3.5 times its initial investment and an IRR of over 40% on this exit, after taking into account the leveraged recapitalisation of the group in March 2006.

Christopher Masek, Partner at Industri Kapital said: "We are delighted to have supported Ceva's success since 2003 and are pleased to have reached an agreement which enables the Group's management and employees to pursue their strategy independently. Ceva enjoyed strong organic growth since acquisition, which we contributed to facilitate by supporting management's innovation strategy, with a 75% increase of the R&D budget under our tenure. Finally, we congratulate the Group for implementing its external growth strategy and successfully integrating six acquisitions over the past four years."

Philippe du Mesnil, CEO of Ceva Santé Animale, said: "Thanks to the active support of Industri Kapital, Ceva Santé Animale has developed rapidly over the past four years and we are now set to continue our path independently. Our ultimate goal is to become a top tier worldwide player in the Animal Health industry. Today the group's executives, managers and employees, active in the thirty seven subsidiaries on five continents, take further control over the group's future by reinvesting significantly to acquire the majority of the capital of Ceva Santé Animale, supported by Euromezzanine, Natexis Industrie and Natixis Investissement. Together, we have committed to a seven year development plan aiming at creating true sustainable and shared value."

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Press contacts

Industri Kapital:

Christopher Masek, Partner

Tel: +44 20 7304 7127

Charlotte Laveson, Communication Manager

Tel: + 46 8 678 95 51

Ceva:

Philippe du Mesnil, Chief Executive Officer

Tel: +33 5 57 55 40 35

Corine O'Flynn

Tel: + 33 5 57 55 41 97

Euromezzanine:

Thierry Raiff

Tel: + 33 1 53 30 23 33

Natixis Private Equity:

Valérie Mathérion

Tel: +33 1 58 19 20 53

Industri Kapital

Industri Kapital is a European private equity firm with Nordic roots, managing close to EUR 4 billion 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. www.industrikapital.com

Ceva Santé Animale

CEVA SANTE ANIMALE (Libourne, France) 10th World Veterinary Pharmaceutical laboratory has a recognized expertise in Animal's Health, Pharmacy and Biology for the two macro markets of livestock and companion animals. The Group CEVA is present in 144 countries with a workforce of 1760 persons through its sales structures, its 37 subsidiaries as well as its 13 productions plants and 4 centres of Research & Development. Its recent acquisitions, and in particular the American laboratory Biomune, specialised in poultry vaccines, assures the international position of the Group. With a consolidated turnover of EUR 301,1 million in 2006, up 11,5% from 2005 (a 5,8% growth at constant perimeter) the Group CEVA takes the 10th position in term of sales and the 3rd in term of growth at world level. The

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Research & Development investments and the excellent sales performances in Europe, Northern America and International zone comfort the Group's ambitions to become, by the year 2010, a major actor in animal health's market. www.ceva.com

Euromezzanine

Founded in 1989, Euromezzanine invests in equity and mezzanine alongside management teams and equity sponsors to support their growth and acquisition projects. Euromezzanine is an independent company controlled by its partners. The firm has more than EUR 1,1 billion in assets under management

Natexis Industrie and Natixis Investissement

Natexis Industrie and Natixis Investissement are two investment funds wholly financed by Natixis Private Equity, the preferred private equity partner for French SMEs and a leading operator in Europe with EUR 3.5 billion in managed capital.

The Natexis Industrie Management team, a management company agreed by AMF, is composed of 9 professionals managing EUR 500 million through two funds and has led or taken part to several LBO transactions as the majority shareholder including Akéry's (design and marketing of real estate-backed saving products), Saverglass (production of glass premium bottles), Geflor (Europe's second largest manufacturer of PVC floor coverings), Maison du Monde (retail distribution of home décor and equipment products), Plastisud (conception and manufacturing of multi-stamped moulds for the plastic injection), Coventya (Metal surface treatment and specialty chemicals for electroplating) and Leyton (consulting in optimisation of social contributions).

The 10-members N.I. Partners team is a private equity fund management company that currently manages EUR 400 million through the SCR Natixis Investissement. N.I. Partners is an active investor and makes sizeable investments in companies raising financing for internal or external growth, shareholder reorganizations (acquisition of minority stakes, OBO) and also in spin-offs or build-ups, with or without debt leverage. N.I. Partners manages a portfolio of about 20 core investee companies such as Saverglass (production of glass premium bottles), Aerocan (aluminium packaging for aerosols), Geoxia (residential house building), Newrest (airline catering), Asteel (electronics & electromechanical components), CBM (sale of bus and coach spare parts).