



*INDUSTRI KAPITAL*

Press Release

11 September 2006

## **Industri Kapital to sell stake in F GROUP A/S to DSGi plc**

**Industri Kapital (“IK”) has sold its 40% investment in F Group A/S, a leading Danish high street electrical goods retailer to UK electrical retailer DSGi plc for DKK 175 million (EUR 23.5 million).**

The Kjær family will retain its 60% stake in F Group, working closely with DSGi going forward.

F GROUP A/S was formed through the merger of FONA Gruppen (owned by the Industri Kapital 1997 Fund) and Fredgaard Radio (owned by the Kjær family) in June 2001. F GROUP is one of Denmark’s largest electrical goods high-street retailers, best known for its FONA stores. With 64 stores across Denmark, FONA focuses on entertainment and communication electronics selling products such as flat screen TVs, home PCs, MP3 players, mobile phones and music.

F GROUP is based in Copenhagen and has 850 employees across Denmark.

Since the merger of FONA Gruppen and Fredgaard Radio, sales on a store-by-store basis have increased, giving the combined group sales of approximately DKK 2 billion in 2005. 2006 has so far proved to be another good year with excellent performance, primarily due to the strong performance of the FONA stores.

A successful restructuring of the business has been undertaken, streamlining the store concept, converting all Fredgaard outlets to FONA stores and closing non-profitable and overlapping stores, reducing headquarter costs and divesting non core businesses such as the consumer financing subsidiary in 2004. The restructuring programme, together with a favourable economic climate in Denmark, were the key drivers for F GROUPs recent strong growth.

Michael Kjaer, said “We have had a strong and beneficial relationship with IK over the past five years and I’d like to thank IK for such a loyal partnership. It has always been known that the F GROUP would have a new owner one day and we are pleased with DSGis decision to buy IK’s stake. We are excited by the opportunities for the F GROUP to develop further in conjunction with DSGi.”

Mads Ryum Larsen, Partner, Industri Kapital, said “Industri Kapital is delighted to have been closely involved with the transformation of F GROUP into a Danish leader in electrical goods retailing. We are particularly pleased with the market position that the FONA brand has established. I would like to thank the Kjær family for its dedication and commitment to working in partnership with us. We wish the company all the best for the future and believe that it has a solid platform for its next phase of development.”

The transaction is subject to regulatory approvals.

**Contacts:**

**Industri Kapital:**

Mads Ryum Larsen, Partner

Phone: +44 7785 392 553

**F GROUP A/S:**

Michael Kjaer, Managing Director.

Phone +45 3525 6000

**DSG international plc**

DSG international plc is Europe's leading specialist electrical retailing group. We have retail and e-tail operations in 14 and 27 countries respectively. We trade through 1,200 stores and online stores and employ 40,000 people. More than 100 million customers shop with us every year. Our retail and e-tail brands include PC World, Currys and Dixons.co.uk in the UK and Ireland, The Link in the UK, Elkjøp in the Nordic countries, UniEuro in Italy, Kotsovolos in Greece, Electro World in central Europe, PC City in France, Spain, Italy and Sweden and Pixmania.com across Europe. We operate a multi-channel and pure play e-commerce approach to electrical retailing and offer customers a comprehensive range of after sales services. We also run a multi-brand business-to-business operation in the UK. For further information on DSGi plc: [www.dsgiplc.com](http://www.dsgiplc.com)

**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 61 European companies. The current portfolio encompasses 24 companies with a total turnover of approximately 8,6 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. Over the years Industri Kapital has developed significant sector experience, principally in the manufacturing, process, building material, retail and services industries. For further information on Industri Kapital:

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