



INDUSTRI KAPITAL



Press Release

21 December 2006

Industri Kapital sells GARDENA to Husqvarna for 730 million euro

Husqvarna has signed an agreement with Industri Kapital to buy 100 per cent of the shares in GARDENA, the leading manufacturer of gardening tools in Europe. The purchase price amounts to 730 million euros (approx. SEK 6.5 billion) which includes the transfer of debt, shareholder credits and pensions amounting to 416 million euros (approx. SEK 3.7 billion).

Headquartered in Ulm, Germany, GARDENA, which employs some 2,900 people, reported the best result ever for the financial year 2005/06, pro forma September 30. Sales increased by 7.2% to 421.8 million euros and EBITDA by 12.6% to 77.0 million euros.

Under IK's ownership (since 2002), GARDENA has been re-focused on its core brand business GARDENA with non-core businesses, Melnor and Adlus, being spun off. IK has also focused on continued internationalisation and achieved double digit growth rates in Southern and Eastern Europe. The product portfolio has been expanded and the distribution network has been improved.

Detlef Dinsel, Partner at Industri Kapital said "We are very pleased with the strong performance shown by GARDENA during our holding as demonstrated by the EBITDA margin increasing by more than 8 percentage points to 18 per cent. GARDENA has also strengthened its position as the European leader in the garden equipment industry, benefited from a strong focus on its core business whilst also improving its operational performance. For us, GARDENA has been a good investment which was also manifested by the strong interest in the company. In selecting a new owner for GARDENA, we were attracted by the further development opportunities for the business offered by Husqvarna and would like to wish GARDENA the very best for the future."

Bengt Andersson, President and CEO of Husqvarna said "GARDENA has built a very strong brand based on innovative products and best-in-class customer service. The combination of the two companies creates opportunities for growth for both GARDENA's and Husqvarna's products. We expect to see a positive trend in demand for irrigation products going forward and we see this product area as a platform for growth."

Martin Bertinchamp, Chief Executive Officer of GARDENA commented "GARDENA is a growing and highly profitable company. The business has made real progress in the last few years and has built further its market position both in German and across Europe. We have also optimized our structures and processes and improved our profitability substantially. I am sure that with Husqvarna, GARDENA will continue its success to the benefit of its customers, employees and shareholders."

The transaction is subject to customary merger control approval(s).



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GARDENA:

GARDENA AG located in Ulm is the leading European manufacturer of high-quality garden equipment and is represented worldwide in more than 80 countries.

The product assortment comprises the three business units irrigation, gardening tools as well as ponds and pumps. Since its foundation in 1961 in only a few decades GARDENA has developed from a small trading company to a world-wide renowned manufacturer of intelligent products and systems for garden care. The secret of its success is based on the brand's high innovation power as well as the consequently executed assortment and marketing policy.

Husqvarna

The Husqvarna Group is the world's largest producer of chainsaws, lawn mowers and other petrol-powered garden equipment such as trimmers and leaf blowers, as well as one of the world's largest producers of garden tractors. Husqvarna is also one of the world's largest producers of cutting equipment for the construction and stone industries. The product offering comprises equipment for both consumers and professional users. Net sales in 2005 were SEK 28.8 billion and the average number of employees was 11,700.

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 close to 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. Industri Kapital's current investments in Germany include Minimax, Sport Group and Dywidag Systems International GmbH (DSI). For more information: www.industrikapital.com