



INDUSTRI KAPITAL

Press Release

23 March 2006

Industri Kapital acquires Sport Group from ECM

Industri Kapital has signed an agreement with funds advised by ECM to acquire Sport Group, a leading European provider of outdoor sport and recreational surface systems. The Group has three main product groups; artificial turf, tracks and playgrounds, and is the market leader in Germany with a strong position in its market segment across Europe.

Head-quartered in Germany, Sport Group has over 550 employees. The company generated sales of approximately €130 m in 2005. The business benefits from a strong market position, especially in Germany and the rest of Europe, and has an excellent technological basis and superior product offering, allowing it to benefit from good margins.

The market for sports' surfaces is attractive thanks to high growth rates and as normal for maturing markets, consolidation is expected in the mid-term. Sport Group's primary goal is to continue to grow the business internationally and to become the overall market leader in Europe, through implementing an active consolidation strategy.

Sport Group's main product is artificial turf which is sold under the "Polytan" brand and is used for a variety of surfaces including football pitches, tennis courts and hockey grounds. Artificial turf is sold mainly to municipalities, general contractors and sports clubs and offers much lower life-cycle costs than natural turf. Artificial turf, and in particular its third generation product, is sold in a young market with enormous untapped potential. Of the approximately 54,000 sport fields in Germany, for example, only 4.3% are currently artificial turf fields. Sport Group's third generation artificial turf has a very strong market share in the German artificial turf market segment. It is approved by international football associations such as FIFA and UEFA for professional football.

Sport Group installs tracks (both running tracks and multi-purpose surfaces) and artificial turf fields and manufactures all system critical components in-house.

Detlef Dinsel, Partner, Industri Kapital said "We are delighted to have acquired Sport Group and we are looking forward to working with the management team in developing this new and growing market further. Sport Group benefits from a good market position and strong technology. The market for sports' surfaces is rapidly growing and we look forward to together with management continue to grow the business and take part in the anticipated industry consolidation."

Richard Gritsch, Partner, ECM said "We have greatly enjoyed working with the Sport Group management team over the last few years. We are confident that the business is well positioned for future growth under the ownership of Industri Kapital."

Sebastian Karrer, CEO Polytan Group and Sport Group “We have enjoyed working with ECM over the past few years and look forward to working with Industri Kapital as we grow the business further. Our plan is to improve our already strong market position and to continue to provide our clients with leading products and services.”

The transaction is subject to customary merger control approvals.

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ECM Equity Capital Management GmbH (ECM)

ECM is an independent private equity advisor based in Frankfurt am Main. ECM acts as exclusive advisor to private equity fund German Equity Partners BV and German Equity Partners II LP, which have equity of more than Euro 200 million under management, providing guidance and support when they are making investments. The company assists the funds in the identification and analysis of potential acquisition targets, and in the ongoing support of portfolio companies.

The focus of their investment policy is on established companies of a predominantly mid-sized character in the manufacturing or services sector, as well as in the trade and retailing business. Preferred turnover volumes are in the Euro 25 million to Euro 500 million bracket. The main focus of activities is on the structuring of corporate successions, growth financing, and the strategic realignment of corporate spin-offs. Further information at: www.ecm-pe.de

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 57 European companies. The current portfolio encompasses 23 companies with a total turnover close to 8.5 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 Germany include Gardena, Dywidag Systems International GmbH (DSI), Poggenpohl (via Nobia) and Pfaff Haushaltsnähmaschinen (via VSM Group). For further information on Industri Kapital: www.industrikapital.com