

Press release

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EQT Expansion Capital II backs Skykon growth plans

- EQT Expansion Capital II backs the growth of Skykon with a large three digit million kroner investment. The capital injection will be used to boost continued expansion of Skykon's business
- Skykon's founders will maintain majority control, since EQT Expansion Capital II will invest through a subordinated loan structure
- EQT Expansion Capital II will work actively together with the existing owners in further developing Skykon into a leading international supplier to the wind energy industry

EQT Expansion Capital II has agreed to invest in Skykon A/S (Skykon), an international supplier to the wind energy industry based in Denmark. EQT Expansion Capital II will take an active role together with the existing owners in further developing Skykon. EQT's international network of senior industrialists will provide its extensive experience in developing and growing companies globally to support Skykon in its ambitious growth plans.

The CEO of Skykon, Jesper Øhlenschläger, says: "We are very happy to welcome EQT Expansion Capital II as investor in Skykon. The combination of financial resources and the experience from developing companies on an international level will be a tremendous help in realizing our ambitious growth plans."

Skykon has two business platforms; Tower Solutions and Blade Components (manufactures blade tooling and composite components for blades). Skykon serves the wind energy market as a supplier to wind turbine manufactures and energy companies.

Reasons for the investment

The investment in Skykon fits EQT Expansion Capital II's investment strategy of assisting industrial acceleration through providing capital and knowledge in a flexible solution, whilst allowing the existing owners to retain control over the company.

The investment in Skykon is EQT Expansion Capital II's first investment in Denmark. Skykon is a promising investment as it addresses a rapidly growing market with few professional competitors. The wind energy supplier market is underdeveloped and highly fragmented and one of Skykon's core strategies is to bring industrial skills and operational excellence to the sector.

Skykon has its origins in a strong family owned business. It has a skilled and experienced management team, a strong market position with deep customer relations, high quality products and a solid financial track record.

"We have very high expectations for this investment. Skykon, its owners and management are doing a terrific job and we believe that EQT's industrial network and international experience will be a useful asset for Skykon," says Petri Sandell, Partner at EQT Partners, advisor to EQT Expansion Capital II.

"Skykon has a solid platform for future development in a highly attractive industry. EQT Expansion Capital II can assist the company and its shareholders to realize the great potential it has in both its current and other markets" says Nikolaj Galskjøt, Director at EQT Partners, advisor to EQT Expansion Capital II.

Development plans and future strategy for Skykon

EQT Expansion Capital II's overall strategy is to support Skykon's management and shareholders in their ambition to develop and grow the business. The additional capital available as a result of the new financial structure will to a large extent be used to invest in production facilities and other development.

The wind energy sector is expected to enjoy double digit growth on average over the next 5 to 10 years and outsourcing by OEM's is expected to increase. Skykon intends to fully capitalize on this underlying growth and the outsourcing trends.

There is also further room for operational improvements, co-ordination and synergies within the Skykon group, in particular in connection with international expansion. The wind energy supplier industry is fragmented which may provide interesting acquisition opportunities. Smaller suppliers could be seeking a larger and more stable context in order to continue their development.

Against this background, EQT Expansion Capital II expects that Skykon will grow its revenues and earnings substantially over the coming years. EQT Expansion Capital II has an investment horizon of 4-6 years, but can stay on even longer as an investor.

Effect on stakeholders

EQT Expansion Capital II has full confidence in Skykon's staff and management headed by Jesper Øhlenschläger. The company will continue its current strategy to develop and grow the two business platforms.

The new board of directors will include the following members of EQT's network of industrialists and senior advisors:

- Kaj Thorén, chairman - currently board member of Alecta and Billes Tryckerier. Mr Thorén was previously President of SKF's Aero & Steel Division.
- William E. Hoover Jr., board member - currently vice chairman of Great Nordic (GN) and board member of Danfoss, Sauer Danfoss and Northstar Battery. Mr. Hoover was previously with McKinsey in Scandinavia for 30 years.

The transaction is subject to relevant competition authorities' approvals and is expected to close during November 2009.

About EQT and EQT Expansion Capital II

EQT is a group of leading private equity funds with operations in Northern Europe, Central and Eastern Europe, USA and Asia. EQT manages funds active within buy-outs, growth financing and infrastructure. EQT deploys a unique approach to investing, utilizing a vast network of industrialists to identify and develop companies. EQT's model is based on clear corporate governance. The EQT funds mainly acquire or finance market leaders with considerable growth potential.

EQT has raised approximately EUR 13 billion in 12 funds, which have invested approximately EUR 7 billion in more than 70 companies. EQT owned companies employ more than 500,000 employees.

EQT Expansion Capital II is a EUR 475 million fund providing capital for privately owned mid-market companies. The core investment focus of the Fund is businesses in need of capital for growth. The financing solutions have equity characteristics, while the owner maintains control over the company.

EQT Partners is advisor to all EQT funds and has more than 100 investment professionals with an extensive industrial and financial competence. EQT Partners has offices in Copenhagen, Frankfurt, Helsinki, Hong Kong, London, Munich, New York, Oslo, Shanghai, Stockholm, Warsaw and Zurich.

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