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Expanda Design Group acquires BCI of Denmark to become the world leader in furniture and equipment for libraries

Expanda Design Group is a leading player in the global market for library furniture and equipment through its subsidiary, Eurobib AB. Eurobib AB (previously BTJ Produkter AB), which was acquired by Expanda two years ago, is based in Lund and had sales in 2001 of SEK 102 million and an operating profit of SEK 2.9 million. Sales in 2002 are expected to reach SEK 125 million with an operating profit of around SEK 7 million. Exports account for 65% of sales. Eurobib has subsidiaries in Belgium, Denmark, Norway and the US.

Expanda AB has now reached an agreement with the listed Danish company, ITH Industri Invest A/S, concerning the acquisition of ITH's subsidiary, BCI A/S, which is active in the same market segment as Eurobib. Eurobib and BCI are the predominant international brands in this segment. BCI had sales of SEK 145 million and an operating profit of SEK 9.5 million in 2001, and figures for 2002 are expected to reach the same level. BCI has its head office in Holsted, Jylland. Exports account for 70% of sales. BCI has subsidiaries in France, Spain, Holland, Norway and the US.

By acquiring BCI, Expanda is securing a strong position in the market. Combined Eurobib and BCI will be the clear leader for library furniture and equipment. Other suppliers in this segment are primarily local players on national markets. No other company has the same global operation as Eurobib/BCI, which will be the largest player in most European countries and the Middle East. Global market share will be around 20%.

By co-ordinating activities in Eurobib and BCI, significant synergies can be achieved in the long-term in all areas – markets, products, production, design, storage, logistics, and administration. A programme of measures will be planned and implemented during the second half of 2002 to achieve these synergies.

Expanda's acquisition of BCI will be completed on 1 July 2002. The purchase price is equivalent to SEK 75 million and will be financed by borrowing. The size of the purchase price may be adjusted depending on results for the first half of 2002 and the completion of due diligence. A positive financial yield from the deal is expected in 2002, although the main benefits will come in 2003 and onward as the synergies pay off and the two companies' marketing and product development resources are fully exploited. The deal is expected to boost profits by above SEK 10 million next year. Expanda's equity/assets ratio, which following the recent disposal of engineering company R-man was at 47%, will fall to around 35% after the acquisition of BCI. This level is still at the top end of the Group's financial target and will not restrict continued expansion of Expanda Design Group via acquisitions.

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Expanda's Managing Director, Jan Ove Forsell, comments: "The library segment is a very interesting market for Expanda. It is less sensitive to the business cycle compared with other furniture and equipment segments, and it has great development potential. Libraries today and in the future are about much more than books. They are and will increasingly be centres for information and communication. There will therefore be considerable opportunities to sell the Group's other interiors products through Eurobib/BCI. It's also very exciting that the acquisition of BCI makes Expanda Design Group more Scandinavian."

Eurobib's website, www.eurobib.com, and BCI's website, www.bci.dk, provide more information about both companies. Expanda's website, www.expanda.se, includes presentations of some of the library installations made by both companies in different parts of the world.

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Expanda AB

Jan Ove Forsell

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Expanda's mission is to develop and own over the long term a group of companies with their main focus on products with a clear design element, strong brands and good export potential. The subsidiaries Abstracta, Diafax, Eurobib, Gärsnäs Lammhults, Skaga and Voice are all companies with a clear design profile. Expanda shares are listed on the O List of the Stockholm Stock Exchange. The Group's sales in 2001 amounted to MSEK 740 and the operating profit amounted to MSEK 45.

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