



3i becomes principal shareholder in Ålö

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- 3i Group plc and Baltickoncernen (the Baltic group) are to restructure the ownership of Ålö.
- 3i's ownership holding will increase to 49.9%.
- Ålö is a world-leading manufacturer of front loaders, implements and accessory ranges for farm tractors.
- Ålö's year-2002 estimate is for sales of approximately SEK 1,250 m, with healthy profitability.

Alongside the Baltic group, 3i has incorporated a new enterprise (Ålö Intressenter AB), which is contracted to acquire all Ålö's shares. 3i and the Baltic group intend to own over 49% each of this jointly owned entity, with Ålö's Board and management holding the remainder. Eventually, the Baltic group's ownership will reduce to 25%. The transaction is conditional on approval from the relevant competition authorities.

Ålö develops, manufactures and sells front loaders and implements for farm tractors and is currently a global market leader with prime brands like Quicke, Trima and Veto. Ålö has a global market share of 15% and produces 25,000 front loaders annually. Ålö's estimated earnings before financial items in 2002 are SEK 150 m.

Gustav Bard, Managing Director of 3i Sweden, advisor to 3i Group plc, commented: "Ålö has posted very robust annual growth of 20% over the last decade. Its management and organisational resources are very skilled, and we are convinced of Ålö's substantial growth prospects."

Krister Olsson, Chairman of Balticgruppen AB, added: "Ålö is a well-run business with high potential, and in recent years, has made several successful acquisitions in Sweden, Denmark, France, the UK and elsewhere. We think it has bright prospects of further consolidating its position. Meanwhile, now is the obvious time for the Baltic group to hand over the role of Ålö's main principal shareholder to 3i."

“Ålö has major developmental prospects,” added Lars Erik Blom, Investment Manager at 3i Nordic, advisor to 3i Group plc, “in the US and European markets, Ålö enjoys a head-start on competitors by virtue of its global leadership.”

Olle Pehrsson, Ålö AB's Managing Director, concluded, “In 3i, we've secured a partner with a broad multinational contact network, heavy financial muscle and solid trade know-how. All of this offers Ålö good opportunities to progress.”

Ålö was incorporated in 1949, and has 800 staff. It is headquartered in Umeå, northern Sweden, where it also has three production facilities. Apart from Umeå, Ålö has factories in Bergsjö, Sweden, and in Denmark and France. It has sales presences in nine countries worldwide.

Stelio Demark (formerly of ABB) has been appointed Ålö's Chairman, while Olle Pehrsson remains Ålö's Managing Director.

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About 3i Group plc

3i brings capital, knowledge and connections to the creation and development of businesses around the world. It invests in a wide range of opportunities from start-ups to buy-outs and buy-ins, focusing on businesses with high growth potential and strong management.

3i invests in businesses across three continents through local investment teams in Europe, Asia Pacific and the USA. To date, 3i has invested over £14.5 billion (including co-investment funds). In the 12 months to 31 March 2002, an average of £4.1 million (including co-investment funds) was invested each working day. In May 2001 3i acquired Atle AB.