

# NORDIC CAPITAL

***Press release November 15, 2004***

## ***Nordic Capital makes recommended cash offer of SEK 75 per share for all outstanding shares in Finnveden***

Cidron Invest AB, a wholly owned subsidiary of Nordic Capital Fund V, ("Nordic Capital") has decided to make a public cash offer to the shareholders in Finnveden AB (publ) ("Finnveden") to tender all shares in Finnveden to Nordic Capital (the "Offer"). Finnveden is listed on the A-list of Stockholmsbörsen.

- Cash offer of SEK 75 for each share of series A and B, respectively, in Finnveden
- Finnveden's Board of Directors unanimously recommends the Offer
- The Offer represents a premium of approximately 35 per cent compared to the closing share price on November 12, 2004
- The acceptance period of the Offer is expected to run from November 19 to December 9, 2004. The estimated settlement date is December 20, 2004

## **Background and Reasons for the Offer**

*"Nordic Capital believes in a strong Swedish automotive industry. In the region, there is extensive industrial knowledge based on a long tradition. Finnveden has the potential to grow and will during the coming years make significant investments. We believe that Finnveden's future challenges are best managed with a strong private majority owner"* comments Ulf Rosberg, Partner at Nordic Capital.

Nordic Capital has for some time followed the development of Finnveden with interest and perceives significant development potential within all four business areas of the Group. The restructuring program completed by management over the last years has now gained full impact and has resulted in improved efficiency and profitability as well as increased attractiveness of the product offerings. In combination with the leading industry competence within Finnveden's organization, in the region and within several of Finnveden's key customers, this makes Finnveden well prepared for further expansion and development.

Nordic Capital considers Finnveden to be ready for the next phase, requiring both considerable investments in existing Swedish production facilities as well as further development of the business in other prioritized geographical markets. Add-on acquisitions within the four business areas will be evaluated continuously. The challenges Finnveden is facing are, among others, over-capacity and increased competition from low cost countries. The increasing steel prices also represent a threat when the current steel supply agreements expire. Nordic Capital is of the opinion that these challenges are best managed with Finnveden as an unlisted company, where Nordic Capital, as an active owner with considerable capital resources for expansion and development investments, on a long term basis can offer the support needed to management and the operations.

## **The Offer**

For each share of series A and series B respectively in Finnveden, SEK 75 in cash is offered.

No commission will be charged in the Offer.

Compared to the closing share price on Stockholmsbörsen on November 12, 2004, the last trading day before the announcement of the Offer, of SEK 55.5 per share, the Offer represents a premium of 35 per cent. Compared to the average share price of the 20 last trading days before the Offer was announced of approximately SEK 55.5, the Offer represents a premium of 35 per cent.

The total value of the Offer amounts to approximately SEK 1,990 million.

Nordic Capital does not currently own any shares in Finnveden.

## **Financing**

The Offer will be financed by equity and debt financing. Nordic Capital has received a binding credit commitment for the debt financing from Svenska Handelsbanken regarding the part of the Offer consideration that is to be financed through bank financing. The conditions to the payment of the loan are set out below under the heading "Conditions to the Financing".

## **Recommendation from the Board of Directors of Finnveden**

Finnveden's Board of Directors has unanimously decided to recommend the shareholders in Finnveden to accept the Offer. The Board's recommendation is supported by a fairness opinion from the financial advisors of the Board, Carnegie Investment Bank AB.

## **Conditions to the Offer**

Completion of the Offer is conditional upon:

1. that the Offer is accepted to the extent that Nordic Capital becomes the owner of more than 90 per cent of the total number of shares representing more than 90 per cent of the total voting rights of Finnveden;
2. that the recommendation of the Offer by the Board of Directors of Finnveden has not been withdrawn or adversely amended;
3. that no other party announces an offer to acquire shares in Finnveden on terms which are more favourable than the Offer for the holders of shares in Finnveden;
4. that all for the Offer and the acquisition of Finnveden necessary regulatory, governmental or similar clearances, approvals and decisions, including from competition authorities, have been obtained, in each case on terms which, in Nordic Capital's opinion, are acceptable;
5. that, save as publicly announced by Finnveden prior to the date the Offer was announced or as otherwise disclosed in writing to Nordic Capital prior to that date, Nordic Capital does not discover that any information publicly disclosed by Finnveden is materially inaccurate or misleading or that any material information which should have been publicly disclosed by Finnveden has not been so disclosed;
6. that neither the Offer nor the acquisition of Finnveden, is wholly or partly prevented or materially adversely affected by any legislation or other regulation, court decision, public authority decision or similar circumstance, which is actual or could reasonably be anticipated, outside the control of Nordic Capital and which Nordic Capital could reasonably not have foreseen at the time of the announcement of the Offer;
7. that no circumstances, which Nordic Capital did not have knowledge about at the time of the announcement of the Offer, have occurred that materially negatively affects Finnveden's sales, results, liquidity or equity during the current or next financial year;
8. that Finnveden does not take any measures that typically are intended to impair the prerequisites for the implementation of the Offer; and

9. that drawdown is available pursuant to the credit commitments received from Nordic Capital's financing sources (see "Conditions to the Financing" below).

Nordic Capital reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not fulfilled or cannot be fulfilled. However, with regard to conditions 2, 4, 5, 6, 7, 8 and 9, such withdrawal will only be made if the defective fulfilment of such condition is of material importance to Nordic Capital's acquisition of shares in Finnveden.

Nordic Capital reserves the right to waive, in whole or in part, one or more of the conditions above.

### **Conditions to the Financing**

The credit commitment is conditional upon that the Offer is accepted to the extent that Nordic Capital becomes the owner of more than 90 per cent of the total number of shares representing more than 90 per cent of the total voting rights of Finnveden. In addition to the foregoing, the credit commitment does not include any conditions which Nordic Capital and its owners do not control.

The conditions which Nordic Capital and its owners control, and which Nordic Capital can thus not invoke, are:

- that Nordic Capital is capitalised with agreed equity and shareholder loans;
- that Nordic Capital signs agreed loan documentation; and
- that Nordic Capital pledges the shares acquired in Finnveden to the bank.

### **Indicative Time Table**

A prospectus regarding the Offer is expected to be distributed to the shareholders in Finnveden on or about November 18, 2004. The acceptance period for the Offer is expected to run from November 19 to December 9, 2004, inclusive. Provided that Nordic Capital implements the Offer no later than December 15, 2004, settlement to those shareholders who have accepted the Offer is expected to begin on December 20, 2004. Nordic Capital reserves the right to extend the acceptance period, as well as to postpone the settlement date.

### **Applicable Law and Disputes**

The Offer shall be governed by and construed in accordance with the laws of Sweden. In addition, the Swedish Industry and Commerce Stock Exchange Committee's (*Näringslivets börskommitté, NBK*) rules on acquisition of shares and the Securities Council's (*Aktiemarknadsnämnden*) rules of interpretation and implementation shall apply to the Offer.

The courts of Sweden shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer and the City Court of Stockholm (*Stockholms Tingsrätt*) shall be the court of first instance.

**Advisor**

Nordic Capital has retained Enskilda Securities as financial advisor in connection with the Offer.

Stockholm November 15, 2004

Cidron Invest AB  
Board of Directors

*For further information, please contact:*

Ulf Rosberg, Partner, Nordic Capital  
Phone +46 8 440 50 50

**Information on Nordic Capital**

Nordic Capital is a leading private equity firm focusing on buy-outs and investments in the Nordic middle-market arena. The firm has an extensive network of contacts, firsthand knowledge of the Nordic market and a strong track record of making successful investments. Nordic Capital has SEK 21 billion under management. Since its inception in 1989, expansion capital has been provided to more than 50 companies operating in a range of segments and sectors. Nordic Capital's proven investment strategy creates value by actively implementing new industrial combinations, strategic repositioning and internationalization. A range of leading Nordic and international institutions invest in Nordic Capital's funds.

Nordic Capital is currently investing from its fifth fund, Nordic Capital Fund V, with participation from approximately 60 institutions. The size of the fund amounts to EUR 1,500 million. Approximately 30 per cent of the capital is from Nordic investors, 30 per cent from the rest of Europe, 30 per cent from the United States, and 10 per cent from investors from the rest of the world.

Cidron Invest AB is a wholly owned subsidiary of Nordic Capital Fund V created for the purpose of the Offer. Cidron Invest AB's corporate registration number is 556668-2141. The company was registered with the Swedish Companies Registration Office (Bolagsverket) on October 12, 2004.

See [www.nordiccapital.com](http://www.nordiccapital.com) for further information regarding Nordic Capital.