



PRESS RELEASE

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Industri Kapital acquires Kwintet from Axcel

The Industri Kapital 2000 Fund will acquire Kwintet a/s from a group of investors led by Axcel.

Kwintet is the leading European supplier of professional wear with turnover and EBITDA expected to reach approx. EUR 390 m (DKK 2.9 bn) and EUR 47 m (DKK 350 m) in 2005. The Kwintet group supplies high-quality professional wear for a variety of uses and industries, and owns a range of strong brands including Kansas, Fristads, Wenaas, A-Code, Lafont, KLM and Hejco. The company, headquartered in Odense, Denmark, has 2,900 employees and sales offices in 11 countries.

“Kwintet is the clear market leader in top-to-toe work wear with a range of strong brands and a reputation for quality amongst its customers throughout Europe. Our intention is to continue to build on the company’s strong market position and to improve the business further by enhancing the product offering and strengthening the procurement and logistics setup” said Trygve Grindheim, Partner at Industri Kapital. “The market for professional wear is still very fragmented, and Kwintet’s unique strategic position makes it a natural consolidator in the industry. Industri Kapital strongly believes that Kwintet can significantly increase its revenues over the years to come through a combination of organic growth and targeted acquisitions.”

Axcel and co-investors, including LD and Wenaas Holding, invested in Kwintet in 1999.

“We invested in a company which was the market leader in Scandinavia but was facing challenges in some areas. Under our ownership, Kwintet’s market position has been considerably strengthened through a number of acquisitions in Northern Europe and the group turnover has increased from EUR 255 m (DKK 1.9 bn) in 1999 to approx. EUR 390 m (DKK 2.9 bn) in 2005. Moreover, we have streamlined the company’s sourcing through significantly increasing the level of outsourced production in Eastern Europe and Asia”, said Christian Frigast, chairman of Kwintet and CEO of Axcel. “In recent years, the company has focused on consolidation of existing activities and is well positioned for further growth. On behalf of the shareholders we would like to express our thanks to the group’s management and employees for their great efforts. At the same time, we are confident that the positive development will continue under the new ownership”.

“Our co-operation with Axcel and partners has been very constructive, and we are pleased with the development of our company. Kwintet is by far the leading supplier of professional wear in Europe with the strongest brands and coverage across product offering, customer base and geographical presence,” said Flemming Enevoldsen, CEO of Kwintet. “We now look forward to working together with Industri Kapital as we further develop the company through continued acquisitions and an increased focus on procurement and logistics in the years to come”.

Industri Kapital was advised by Nordea Corporate Finance and Rønne & Lundgren. Debt for the transaction will be provided by Nordea and FIH.

The transaction is only subject to approval by the competition authorities.

The logo for Axcel, featuring the word "AXCEL" in a bold, red, sans-serif font.

Further Information

Axcel

Christian Frigast, CEO

Tel. +45 33 36 69 99 or +45 26 32 64 00

Industri Kapital

Trygve Grindheim, Partner

Tel. +44 20 7304 4300 or +44 7768 276 304

Anne Holm Rannaleet, Partner & Information Director

Tel: +46 8678 9550

Kwintet

Flemming Enevoldsen, CEO

Tel. +45 66 61 22 00 or +45 40 43 13 03

***Kwintet** is the leading European supplier of professional wear. Kwintet's activities consist of product development, sourcing, production, sales and distribution of professional wear. The product range comprises work wear and corporate wear which are marketed under well-known brands, such as Kansas, Fristads, Wenaas, KLM Kleding, Adolphe Lafont, Hejco and A-code. Kwintet is the absolute market leader in the Nordic region and has a significant market position in Germany, the Benelux countries, France and the United Kingdom. Furthermore, Kwintet has a good market position in the rest of Western Europe as well as a secure foothold in the global off-shore garment market. The Group expects to generate a turnover of about EUR 390 m (DKK 2.9 bn) and a profit before depreciation and amortisation of EUR 47 m (DKK 350 m) in 2005. For further details see www.kwintet.com.*

***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 55 European companies. The current portfolio encompasses 24 companies with a total turnover of approximately 9.7 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. Over the years Industri Kapital has developed significant sector experience, principally in the manufacturing, process, building material, retail and services industries. Industri Kapital's previous investments in Denmark include Hjem-Is, Crisplant, Superfos and F-Group (Fona and Fredgaard). For further details see www.industrikapital.com.*

***Axcel** is a leading Danish industrial investment company (private equity) with an international outlook. With a total capital commitment of EUR 835 m (DKK 6.2 bn), Axcel invests in competitive large and medium-sized companies with potential for growth and value creation. Axcel finds it important to be an active and dedicated partner who contributes to the implementation of a development strategy and the strengthening of the companies' competitiveness. The shareholders comprise ATP, SEB, Bestseller, FIH, Industriens Pension, Kirkbi, LD, Lombard Odiér, Masco, Alpinvest, Nordea, Pension Danmark, PKA and Investeringselskabet af 30.04.1992. Since 1995, Axcel has invested in 24 companies, of which 11 have subsequently been brought into new ownerships. Investments comprise a.o. Vest-Wood, Junckers, Icopal (building material industry), Royal Scandinavia (luxury goods) and DDD (medico equipment). For further details see www.axcel.dk.*

