



INDUSTRI KAPITAL



Press Release

9 June 2005

INDUSTRI KAPITAL ACQUIRES GLOBAL INTERIOR DECORATION GROUP SIA FROM 3i

Industri Kapital has signed an agreement with 3i and the management team to acquire The SIA Group, a global leader in home decoration.

Founded in Sweden in 1963 by the Swedish designer Sonja I. Andersson and Kjell Melander, SIA is now an renowned brand within the interior decoration industry. With two collections a year, SIA produces a wide range of products such as artificial plants and flowers, vases, table decorations, furniture, lamps, bed and table linen, candles and candlesticks, home fragrances, kitchen accessories and a range of bathroom products.

3i led the MBO of SIA in December 2001 and has been an active partner with the company over the past 3 years. During this time, the company has grown internationally via acquisitions in Norway, Denmark and Greece as well as domestically in France with the opening of 24 points of sales.

Headquartered in France, the SIA Group distributes its products in 30 countries across Europe, the United States and Japan. Its distribution network increased from 127 points of sale in 1999 to 361 in 2004 (including 30 exclusive boutiques). The Group has approximately 450 employees and an estimated 2005 turnover of approximately €130m.

Christopher Masek, Partner Industri Kapital, said "Industri Kapital has a strong track record of working with companies involved in the distribution of consumer goods globally and very much believe that this experience will add real value in the next stage of SIA's development. We look forward to working with the management team to grow the business. In particular, we will develop SIA's distribution networks further as well as extending the product range and launching new designs and concepts. With both Industri Kapital and SIA bringing together a dynamic Franco-Scandinavian mix, this adds some extra flavour to the transaction!"

Johan Nilsson, SIA Group CEO said: "With 3i's support, we have already completed three acquisitions, opened 24 new points of sale as well as entering new geographic markets. With Industri Kapital's support, we will accelerate the development of SIA's brand, not only in Europe where we are already a leader, but also in Japan and in the United States. Our development strategy is based on selective distribution and partnerships with retailers and quality department stores around the world. IK's international profile as well as its Scandinavian roots represent a perfect match for SIA."

Guy Zarzavatdjian, Directeur Général de 3i France, said: "This transaction is a strong achievement for 3i. It allows us to materialize the progress made with SIA since December 2001. The 50% increase in turnover and profitability of the company has been achieved via the two development paths which we defined with management when we made the investment; international growth including some acquisitions and the strengthening of the brand."

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INDUSTRI KAPITAL

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 50 European companies. The current portfolio encompasses 22 companies with a total turnover close to 7.5 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. Previous IK investments in the distribution sector include the following Scandinavian companies: Ellos, Europris, Guldfynd, Hjem-Is, and Lindex.

Industri Kapital's previous investments in France include Laho Equipement (2000, sold in 2005), one of the leading construction equipment rental groups in France, Groupe Fives-Lille (2001, sold in 2004), an international industrial engineering group that designs and produces equipment, Labeyrie (2002, sold in 2004), a French company producing upmarket branded food products sold on the French, Dutch, Belgian and Spanish markets, Ceva Santé Animale (2003), which develops, manufactures and distributes Animal Health products and Idex (2004), France's largest independent energy and environment services company.

3i

3i, a major venture capital investment organisation, contributes capital, expertise and contacts for the creation and development of companies throughout the world. It invests at different stages by financing "start-ups", capital development, corporate restructuring operations (LBOs, MBOs MBIs) for growing companies with effective management teams. 3i invests on 3 continents through its local investment teams in Europe, Asia Pacific and the United States. It is very active in Europe in the field of MBOs, concentrating on mid-market companies valued at up to 800 million euros. 3i invested €1.4 billion during the financial year ending 31 March, 2005, including €773 million in buyouts, €398 million in capital development and €209 million in corporate restructurings.

The most recent significant European transactions are:
Investments: Crown Media, Carema, Hobbs, Kéolis,
Exits: Yellow Brick Road, Travelex, Westmister Healthcare

For more information www.3i.com

Founded by Sonja I. Andersson and Kjell Melander, the Group was acquired in 1979 by Electrolux, the global No. 1 in the household goods industry. Under the ownership of Electrolux, a geographic expansion programme was implemented resulting in a European network. The Group was acquired in 1998 by the investment fund Charterhouse (now called Chequers) together with the management team. In 2001, SIA was acquired by 3i with management also retaining a stake.

For further information visit www.sia-homefashion.com