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EQT Expansion Capital holds final closing at EUR 475 million

EQT Expansion Capital II, the leading Northern European mezzanine fund, today announced that it has received commitments of EUR 475 million, significantly exceeding its original target of EUR 350 million.

EQT Expansion Capital I, the predecessor fund to EQT Expansion Capital II, was founded in 2003 under the name EQT Mezzanine. In June 2007 the business was renamed to EQT Expansion Capital I. Michael Föcking, Senior Partner of EQT Partners said: "The new name highlights our intention to support the expansion plans of mid-sized companies and to differentiate from standardised and rather inflexible mezzanine products. Furthermore, the new name supports our equity-oriented investment philosophy."

Thanks to the success of EQT Expansion Capital I, the EQT Expansion Capital II fund comprises not only of existing investors but also of new, high quality institutional and high net worth investors, including a number of new investor relationships for the EQT family of funds. Swedish Investor AB (sponsor of the Fund) committed approximately EUR 80 million to EQT Expansion Capital II.

EQT Expansion Capital II will have the same strategy as EQT Expansion Capital I. The principal investment focus will be two-fold: The Fund will provide capital to family owned mid-sized companies seeking financing for acquisitions, for the next phase of organic growth or to realize a change within the shareholder structure. In such situations EQT Expansion Capital II will provide an alternative to classic equity financing as well as to standardized mezzanine financing. In addition, EQT Expansion Capital II will provide subordinated capital to mid-market LBOs. Target companies will have a proven market position and excellent growth potential, organically and/or acquisition-led. The Fund's geographic focus will be the Nordic region and German speaking countries.

EQT Expansion Capital II will take advantage of the unique access to EQT's senior advisors, operating industrialists and management teams, and EQT Partners' extensive relationships in the financial and industrial markets of Northern Europe.

Petri Sandell, Partner of EQT Partners said: "We benefit from the fact that we are part of EQT as this gives us access to an industrial network and knowledge base. This combination of financing know-how and industrial know-how makes our approach rather unique, for investors as well as for companies and their shareholders."



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Harald Sipple, Partner of EQT Partners said: “In 10 transactions, EQT Expansion Capital I provided tailor made financing solutions to facilitate acquisitions and the further growth of companies by combining subordinated debt financing with equity elements.”

MVision Private Equity Advisers acted as global placing agent and Clifford Chance was legal counsel to EQT Expansion Capital II.

EQT is a group of private equity funds that manages approximately €11 billion in equity in 11 funds. EQT Partners, acting as investment advisor to all EQT funds, has offices in Stockholm, Copenhagen, Helsinki, Frankfurt, Munich and Hong Kong. EQT realises its business concept by acquiring, financing and developing high-quality medium sized companies in Northern Europe and Greater China. EQT serves as an active owner and works in close co-operation with the management of the companies it acquires, to develop and implement value-enhancing strategies. In total EQT has invested in about 60 companies.