

# EQT sprints to \$3B fund closing

by Jonathan Braude in London

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Swedish private equity firm EQT Partners AB said Wednesday, Aug. 4, it made a final closing of its new EQT IV fund at €2.5 billion (\$3 billion), exceeding its original €2 billion target just six months after launching the fund in January with the help of placement agents MVision Private Equity Advisers.

In a statement, EQT said it had decided from the start to put a hard cap of €2.5 billion on the new fund. Marketing partner Andreas Talberg had not returned calls by press time to comment, but a fundraising industry source said EQT was a firm with a "short but relatively stable track record and a strong team," making it easy to raise money.

The firm's success stands in contrast to the slow progress made by one of its main Scandinavian rivals, Industri Kapital, which the source said has spent two years raising a fund and is expected to announce a close of about €1 billion in the fall. Industri Kapital was hit hard by the departure of some of its senior executives, led by Harald Mix, last year to form Altor Equity Partners. Altor subsequently raised €650 million of its own.

Britain's 3i Group plc, which raised €3 billion in a new fund this summer, also found it difficult to reach its target for outside investment, and the publicly traded parent company put in €2.2 billion from its own balance sheet. That disappointment came in part because of the departure of several 3i executives to form Exponent, which announced a first closing of £260 million in July. Exponent is expected to announce a final close at £400 million, possibly as early as next week.

As a private equity source put it: "If you've got a good team and a good story, you can raise a lot of money at the moment. If you've made some mistakes or you've got any holes in your story, then you could have some difficulty."

The fundraising source said he was upbeat about the Nordic market, following EQT's announcement. "The Nordic market is still one of the healthiest in Europe. It's not big, but the returns are good," he said.

Stockholm-based EQT, which has offices in Copenhagen, Helsinki, Finland, and Munich, is active throughout the Nordic area and Germany, and has equity commitments exceeding €5 billion. Its largest investment to date is in Germany, where it engineered the twin buyout of two fragrance makers, **Haarman & Reimer GmbH** and **Dragoco Gerberding & Co. AG**, for a combined €2 billion in 2002.

The EQT statement said EQT's main sponsor, **Investor AB**, made a commitment of approximately €500 million. Approximately 40% of the remaining commitments came from investors in the Nordic Region, 25% from the U.K. and continental Europe, 25% from North America and 10% from the rest of the world.

It said approximately 35% of the commitments came from pension funds, 30% from insurance companies and financial institutions, 20% from endowments, family investment funds and foundations and the remaining 15% from funds of funds.

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