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## **Eurazeo PME increases its stake in the FDS Group's capital, on the basis of an enterprise value of €190Mn**

FDS Group receives additional resources to fund an ambitious worldwide growth strategy

Eurazeo PME, the management company for investments made by OFI Private Equity Capital, has today announced its first operation since joining the Eurazeo group in June 2011, with the buy-out of the minority shareholdings in the FDS Group, along with the full refinancing of the group's financial liabilities and the injection of additional resources for its development.

Following the completion of this operation, Eurazeo PME now holds a 74.3% stake in the FDS Group's capital.

One of the world leaders for industrial sealing solutions, and a supplier of major contractors in the energy sector (oil & gas, petrochemicals and nuclear), FDS Group ([www.fdsgroup.net](http://www.fdsgroup.net)) has forecasted sales of €90Mn for 2011, 8.0% growth compared to 2010 (excluding 2011 acquisitions). The development of FDS Group began with the merger of Siem Supranite (acquired by OFI Private Equity in 2006) and Flexitallic in 2007, quickly followed by the addition of Novus Sealing in the United Kingdom in April 2008. During the summer of 2011, the group continued to grow through acquisitions, with two new takeovers in the UK. The group has production units located in the United States, the UK, France, China, the Middle East, Mexico and Kazakhstan and employs 700 people across the world.

By taking bigger stake in the FDS Group's capital, Eurazeo PME is providing the financial resources that the group needs to pursue its international growth (new products, new sites and growth by acquisition). FDS Group will thus be able to strengthen its position as a solutions designer for its customers, and accelerate the distribution of its high value added products across every continent. In the midst of balance sheet reorganisation, the shareholders and the AXA Private Equity and Capzanine funds have already set aside the financial resources required to fund this ambitious policy.

This investment is part of Eurazeo PME's strategy to support the global development of small and mid-sized companies.

Olivier Millet, Chairman of Eurazeo PME's Management Board, said: "This operation, the first of its kind for Eurazeo PME since joining Eurazeo, provides improved financial and human resources for FDS Group and is proof that we are pursuing our strategy of supporting the companies in our portfolio in their growth projects, particularly as they look to expand abroad. Through this increased stake, we are reaffirming our trust in Rémi Tolédano and his management team who have achieved remarkable financial and non-financial performance for several years now."

Rémi Tolédano, Chairman of FDS Group, added: "*We are delighted that Eurazeo PME has increased its stake in the Group through this operation. The Group Executive Committee has identified a number of projects for our worldwide*

*industrial development. Our ambition is to position the Group as a leader through innovation. The additional resources that we now have at our disposal give the Group scope for future achievements."*

Olivier Berment, Managing Director of the mezzanine team at AXA Private Equity points out *"The unitranche financial arrangement used in this case is particularly well-suited to growing companies that want to use their cashflow to pursue a policy of investment or sustained external growth. In the case of the FDS Group, we offered multi-currency financing, which is very flexible compared to standard bank credit facilities and part of which is reserved for future build-up operations."*

The operation was financed by equity capital from Eurazeo PME and Capzanine as financial co-investors and with the set-up of so-called unitranche bond financing from the mezzanine teams at AXA Private Equity and Capzanine for a total amount of €155Mn. This enables the refinancing of the FDS Group's current balance sheet while also providing the company with the resources it needs to fund its external growth projects (€45Mn).

Parties involved in this operation:

- Eurazeo PME: Olivier Millet, Erwann Le Ligné, Rodolphe de Tilly
- Eurazeo PME Advice: SJ Berwin (Maxence Bloch, Pierre-Louis Sevegrand Lions, Augustin Fleytoux, Olivier Vermeulen, Jessica Derocque, Fanny Combourieu, Gwenaël Kropfinger), Kilpatrick Townsend & Stockton LLP (Richard Cicchillo)
- Management Consulting: August & Debouzy (Xavier Rohmer, Céline Da Mota), Serge Cohen, LBO Managers (Hervé Thibaut de Maisières, Jean-Philippe Roux-Violla)
- Finance: AXA Private Equity (Olivier Berment, Jean-Marc Fiamma, Jean-David Ponsin), Capzanine (Laurent Bénard, Guillaume De Jongh, Bruno Bonnin)
- Finance Consulting: Shearman & Sterling (Arnaud Fromion, Adrien Paturaud)
- Due Diligences: Financial: Ernst & Young (Emmanuel Picard, Christophe Mangin), Tax (Jean-Philippe Barbe), Strategy: Arthur D. Little (Franck Herbaux)
- Advising Banks: Transaction R (Pierpaolo Carpinelli, Valérie Labastie, Anthony Benichou), DC Advisory (David Benin, Jean-Christophe Quiniou, Thierry Marie)

## > ABOUT EURAZEO PME

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Eurazeo PME, formerly OFI Private Equity, manages investments made by OFI Private Equity Capital (NYSE Euronext Paris, Compartment C – ISIN Code: FR0000038945). Since June 2011, the latter has been a subsidiary of Eurazeo, dedicated to capital investment and mezzanine operations in French SMEs soundly established in their markets and valued at less than €150/200Mn.

On 3 November 2011, the AMF issued a statement of compliance for the project for a simplified alternative public cash or exchange offer initiated by Eurazeo and concerning shares and residual share warrants (BSA1 and BSA2) in OFI Private Equity Capital. This decision also constitutes approval of the offer document no. 11-497 and approval no. 11-498 of the draft offer document from OFI Private Equity Capital (Decision and Notification 211C1979 dated 3 November 2011). The simplified alternative public cash or exchange offer is open from 8 November 2011 until 28 November 2011 inclusive (Decision and Notification 211C2009 dated 3 November 2011).

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