

## Pressemelding

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Major player in traffic safety systems

### **Euroskilt merges with the Ørsta Group**

**Vingrom/Ørsta, 16<sup>th</sup> November 2006: Euroskilt and the Ørsta Group have signed a merger agreement. The merged company aims to become a significant player in traffic safety in Europe. The agreement entails investment company Reiten & Co acquiring a controlling stake in the merged company.**

“This is a significant day in the Ørsta Group’s 60-year history. Through our merger with Euroskilt we intend to become one of the leading European suppliers in the growing traffic safety systems market, and we are already well on our way,” says CEO Jon Erik Engeset of the Ørsta Group.

“A merger of the Ørsta Group and Euroskilt will result in a stronger market position, and a high degree of credibility vis-à-vis major contractors and the authorities, which is crucial with respect to the growth we are planning both in Norway and internationally,” says the CEO of Euroskilt, Erling Tvete.

With the merger the companies are taking a major step towards realising their common strategy of strong growth through systems sales, innovation and internationalisation.

Euroskilt Ørsta will be developed in line with its vision of becoming a leading European supplier of traffic safety systems. The new company’s headquarters will be located in Ørsta and Jon Erik Engeset will be the CEO of the new company. He will have a broadly composed management group with him. Erling Tvete will become the chairman of the board. At the time of the merger the group will be called Euroskilt Ørsta, though it will probably be given a new name during the first half of 2007.

A merged Euroskilt Ørsta will hold prominent market positions in the Nordic Region and Poland. The company also has operations in other countries within and outside Europe.

The merged company is expected to achieve a pro forma turnover for 2006 of around NOK 1,300 million and an operating result before depreciation and amortisation (EBITDA) of around NOK 130 million. The merged company will have a solid platform for further expansion, as well as a profile that makes it a well-suited candidate for listing on the Oslo stock exchange in the course of 2008.

In connection with the merger, Euroskilt’s current main shareholder, Reiten & Co, will acquire shares through a private share issue via its private equity investment fund, Reiten & Co Capital Partners VI. Reiten & Co will control more than 50 per cent of the shares after the share issue.

*“There is a strong industrial rationale for the merger. In addition we want to secure a capitalisation of the merged company that enables it to implement its expansive growth strategy, which will also include acquisitions, in an efficient manner,” says one of the partners in Reiten & Co, Christian Melby.*



Ørsta

Ørsta-gruppen AS

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The merger between Euroskilt and the Ørsta Group is based on complementary competences, capacities and market positions, and will therefore not result in closures, downsizing or other significant restructuring.

The agreement was signed with provisos concerning due diligence. The merger is conditional on a final decision being taken by the companies' general meetings, as well as the approval of the Norwegian Competition Authority. According to the plan the merger will be implemented during 1<sup>st</sup> quarter of 2007.

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See also

[www.euroskilt.no](http://www.euroskilt.no)

[www.orsta.com](http://www.orsta.com)

### **About Euroskilt**

Euroskilt AS was established in 1985 and currently has approx. 460 employees in 20 companies in Norway and abroad. Euroskilt is the largest supplier of traffic safety products in Scandinavia and its product range includes most road equipment. Euroskilt operates in Norway, Sweden, Denmark, Poland,, Romania, Belo-Russia, and the Ukraine. The group has a turnover of approx. NOK 760 million, solid finances and is growing. Euroskilt is owned by its senior executives (32%) and Reiten & Co (68%).

### **About the Ørsta Group**

The Ørsta Group is a Norwegian owned industrial group, established in 1947, consisting of 19 wholly and partly owned companies in Norway and abroad, and has around 420 employees. The group supplies products and systems in the business areas of infrastructure and marine installations in Norway and abroad. The group has a turnover of approx. NOK 640 million, solid finances and is growing. The Ørsta Group has just under 100 private and institutional shareholders.

### **About Reiten & Co**

Reiten & Co is a leading investment company (private equity) that focuses on investing in medium sized, established companies in the Nordic Region. Reiten & Co invests in companies with major potential for value growth and works actively with the companies management and other shareholders. Reiten & Co is partner owned, has offices in Oslo, and employs a staff of 18. The company administers a total of around NOK 1,700 million through various investment funds. Reiten & Co's latest fund, Reiten & Co Capital Partners VI, has NOK 1,000 million in equity and will last for 10 years. Reiten & Co's goal is to invest between NOK 80 and 300 million of equity in the companies in which it acquires a stake. Reiten & Co is currently invested in 9 companies. The investors in Reiten & Co's funds are insurance companies, life insurance companies, pension funds, other institutions and companies, as well as private individuals.