

Herkules acquires Norwegian machining company; Bandak

(Oslo, 10 December 2009) Herkules Private Equity Fund III has signed an agreement to become a 62% owner of Bandak Holding AS. Bandak Holding consist of a group of Norwegian machining companies that focuses on production of mechanical engineering products for demanding sales and technology companies in domestic and international markets.

Bandak was established in 1938 and the current head office is in Lunde, Norway. Besides Lunde, the group has subsidiaries in Raufoss, Halden, Notodden and Kongsberg, Norway. There are 225 employees in the group, which has been owned by management and key employees since 2008.

Bandak mainly focuses on the sectors oil & gas and renewable energy. The company also has some exposure within automotive, defence, aerospace and basic industry segments. Main activities are engineering, system deliveries, coating and machining, ranging from simple tasks to highly advanced projects. The products delivered include individual parts, semi-manufactured components, complete assemblies and specified documentation.

The company has grown substantially over the last five years, both organically and through acquisitions. Revenues in 2008 were more than NOK 300 million with further growth in 2009. The transaction will be a combination of partly acquiring existing shares and partly injecting capital through a new share issue, bringing the Herkules ownership to 62%. Completion of the deal is expected following approval by the Norwegian competition authorities.

"Bandak is a solid business operating in a very fragmented market. We are going to support the company financially and strategically in order to further strengthen its position" says Partner of Herkules Capital Morten Blix.

Herkules consists of three funds, with a total capital base of NOK 12.25 billion in committed capital from Norwegian and international investors. Herkules has the financial strength to establish a strong ownership position in established companies with growth potential. Companies owned by Herkules funds are: Pronova BioPharma, Noratel, Handicare, European House of Beds, Beerenberg Corp., Nille, Micro Matic Norge, Tilbords, Hatteland Display, EFG European Furniture Group, Aibel, Nevion, Estrella Maarud, Gothia Financial Group and projectiondesign.

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