



ODLO back at Norwegian hands

(Oslo, 5 May 2010) Herkules Private Equity Fund III has entered into an agreement to acquire the shares of the Norwegian originated company ODLO Sports Group. The founder's son and Chairman of ODLO, Odd Roar Lofterød, will continue at the board and will have a minority share of the company.

The world's largest manufacturer of functional sports underwear, ODLO, was founded in Oslo in 1946 by a Norwegian national, Odd Lofterød. Majority shareholders until the acquisition have been Odd Roar Lofterød jr and the American company TowerBrook. Lofterød jr. took over the business in 1979 and has developed the Norwegian company into an international player based in Switzerland. Together with ODLO's top management group, Lofterød jr will reinvest substantial amounts in the company.

ODLO is the undisputed market leader within functional sports underwear in Europe and its market shares varies between 30 to 50% in the main markets Germany, Switzerland and France. In addition, the company is market leader in Italy and Austria. ODLO has a long tradition as leading innovator and developer, and the current industry standard for the segment of functional sports underwear and three-layer principle was invented by the company. In 2009 ODLO's turnover reached CHF 160 million, and the company has 650 employees.

Odd Roar Lofterød has decisively guided the successful development of the company over recent decades. He says that: *"Herkules as majority owner guarantees a continuation of the Norwegian-Swiss culture that characterises ODLO. Together, Herkules and ODLO form an excellent, strong combination which promises further growth on a market with a great deal of potential."*

Andreas Kessler, the CEO of the ODLO Sports Group, is certain of having found the right partner for a successful future: *"With Herkules, we have now landed in the safe harbour we wanted and can jointly expand our position as the market and technology leader. Herkules and ODLO both pursue the same strategy in this regard, and that means we have a good basis for future cooperation."*

Tore Rynning-Nielsen, the Senior Partner at Herkules Capital, regards ODLO *"as an outstanding company with a strong culture providing product excellence. Based on a solid organisation and a leading market position in Europe we believe that ODLO has large potential for further growth within its current markets and closely related products and geographical areas. As Odd Roar Lofterød is an important flag-bearer of the ODLO culture, we are very pleased that he will continue on the board and maintain a significant ownership stake."*

About ODLO: ODLO is the inventor of functional sports underwear. As the market and technological leader, ODLO has committed itself to producing the best functional sportswear for people who love exercise - in every weather and at every level of intensity. ODLO ensures well-being from the skin outwards and stands for uncompromisingly high demands of function, wearer-comfort and quality. In the European market, ODLO is the leader in the segment for functional sportswear with SPORTS UNDERWEAR and NORDIC WALKING. In addition, ODLO convinces with successful collections in the

categories of OUTDOOR, BIKE, RUNNING, X-COUNTRY, TEC SHIRTS and KIDS. ODLO has its own sales companies in Switzerland, Germany, France, Belgium/Holland, and Austria. The ODLO brand is distributed worldwide in more than 20 countries. You can find further information under www.odlo.com.

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 acquire majority ownership positions 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, Projectiondesign, Bandak, New Store Europe and Elis.

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