

OFI Private Equity Capital becomes major shareholder of Mors Smitt Holding

OFI Private Equity Capital announces the acquisition, alongside with Dardel Industries, of equity and mezzanine participation of Capzanine in Mors Smitt Holding (MSH), world leader of onboard electromechanical relays for the railway industry. The transaction is based upon Mors Smitt Holding's valuation close to € 50 million.

The first majority investment by OFI Private Equity Capital since mid 2008

As a result of this transaction OFI Private Equity Capital, with an initial minority shareholding of 18% since 2006, will hold 50% of Mors Smitt shares and Dardel Industries (26%), historical shareholder of the company. The management will retain the remaining 24% stake. The total amount of OFI Private Equity Capital investment in the company will be around € 14 million, after the next refinancing of the mezzanine with bank partners for a total of € 11 million. This investment illustrates OFI Private Equity Capital's strategy of acquiring majority shareholding and accompanying companies that are industry leaders in France and on the international market.

Mors Smitt, a world leader with important development potential

Mors Smitt, created by the merger of two century-old French and Dutch companies, designs, manufactures and distributes electromechanical relays, mostly for the railway industry. The Group owns three production sites (in France, the Netherlands and China) and four sales subsidiaries (in France, the Netherlands, the United States and Hong Kong). Its industrial setter insures a strong global coverage, either on established markets where maintenance services are in strong demand (France, the Netherlands) or in dynamic areas (Asia), while remaining close to major train constructors.

Mors Smitt systems and components are destined to command, measure and automate onboard electronic processes, either on rolling stock (break systems, doors opening, air conditioning, energy measurements) or on infrastructure network (signal and switch relays). Many of the group's clients are railway transportation specialists (Alstom, Bombardier, SNCF, etc). The company's development potential is important: 2010 turnover should reach € 40 million (more than 15% increase compared to 2009) with 55% generated abroad (excluding France and the Netherlands) against € 26 million in 2006, therefore an increase of 11% per year, while retaining a high profitability level.

On the occasion of this transaction, Arne Wijnmaalen was named CEO of Smitt Holding while Kees Verduin continues to watch over the Group as Chairman of the Supervisory Board.

Chairman of OFI Private Equity Management Board Olivier Millet declares: « *We look forward to accompany Mors Smitt and its management in the next stages of its development. Mors Smitt, a company that we know very well as a shareholder since 2006, benefits from a significant growth potential with the strong development of railway transportation in Europe and Asia. This new investment illustrates very well our role as a shareholder, which is to accompany on the long term the development of niche markets leading companies in France and in the world.* »

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CEO of Mors Smitt Holding Arne Wijnmaalen confirms: « *Since OFI Private Equity increases its capital share in Mors Smitt and thus becomes the new majority shareholder, the Group's development will continue to be supported. Thanks to our technological capacity recognised worldwide, and to favourable outlook in our sector sustained by the growing importance of the Asian market and the new regulations effective in 2011, Mors Smitt is well positioned to accompany its clients in the world, win new market shares and develop innovations that bring in purchase orders.* »

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Legal Advisor: SJ Berwin (Maxence Bloch, Maxime Dequesne, Olivier Desvernay)

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Financial Due diligence: Eight Advisory (Pascal Raidron, Katia Wagner, Nadia Gacem)

Market Due diligence: Roland Berger (Stéphane Albernhe, Xavier Aymonod, Jérémie Maman, Mikael Delmas)

CSR Due diligence: OFI Private Equity (Laurence Château de Chazeaux)

>ABOUT MORS SMITT HOLDING

The French-Dutch Mors Smitt Holding (MSH) group whose two mother companies were created at the beginning of the 20th century, designs, manufactures and distributes electro-mechanical relays destined mostly to the railway industry. These relays are used in critical door and breaks circuits, as well as rolling stocks' air conditioning systems and railway infrastructures switch and signal systems. The company experienced an important increase in activity and now employs 315 permanent staff.

<http://www.morssmitt.com/>

> ABOUT OFI PRIVATE EQUITY CAPITAL

OFI Private Equity Capital is an investment company listed on NYSE Euronext (code : OPEC, compartment C, on indexes SBF 250, CAC Small 90 and CAC Mid & Small 190), and is the investment company of the Fund Manager OFI Private Equity, which invests in both equity and mezzanine in secondary buy-outs of French companies with enterprise values of between €15 and 75 millions that have been the subject of a previous LBO.

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