

## - NEWS RELEASE -

April 2005

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### Heat Exchangers: PACKINOX has been transferred to the Swedish Alfa Laval

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*After advising PACKINOX's managers in the acquisition of their company through an LBO with AREVA one year ago, LINKERS pursued its mission by their side when an industrial group showed its interest for a majority stake acquisition.*

Let us remind that PACKINOX is the world's first designer and manufacturer of big capacity thermal heat exchangers with corrugated plates welded to the refining and the petro-chemistry industry. PACKINOX turnover which amounted to €35 million in 2003 should exceed €50 million in 2005 and generate a €9 million EBIT.

The managers controlled the group thanks to a double holding company assembly beside two minority financial investors, ALLIANCE Entrepreneurs and IDEB.

However, they agreed to sell to an international group, the Swedish ALFA LAVAL, to insure the perpetuity of their company within a powerful group. ALFA LAVAL is a fluids transfer solutions, exchanges of heat and separation by centrifugation specialist, and the world 1st producer of thermal exchangers plates.

***This operation arouses three remarks:***

1/ The LBO assembly was successful: it showed certain boldness because of the superimposing of two indebted holding companies allowing our customers to hold, with their managers and the employee's FCPE, 63 % of their company capital.

The global level of debts turned out reasonable with regard to the operating profitability because senior and junior debts were paid off by anticipation before the transfer.

2/ During the exit of an LBO in which they are minority, financial investors generally refuse to participate in a balance sheet guarantee. This principal position can become a source of tension: isn't it fair indeed that those who assume this guarantee benefit from a higher sale price? In this particular case, LINKERS negotiated a higher sale price for the leaders.

3/ An LBO in which the financiers are in minority doesn't mean that they will be short of liquidity. A beautiful opportunity of industrial transfer will gladly be seized by the managers if it has sense for the company.

LINKERS draws on the experience of its 11 consultants to assist companies from all sectors and offer personal advises concerning:

- **Financial Engineering:** valuations (fairness opinion), MBO & OBO packages
- **Mergers & Acquisitions:** selling and buying mandates, transmissions to heirs ...
- **Fund Raising:** selection and contact of investors, supervision of legal documentation (shareholders agreements, protocols...)
- **Financial Training for Executives:** Cegos, Les Echos Formation.