



**Press release**

**Copenhagen December 2, 2008**

## **EQT and ATP acquire KMD A/S**

On behalf of EQT<sup>1</sup> and ATP<sup>2</sup>, KMD Holding A/S today agreed with Local Government Denmark ("LGDK") to acquire all shares in KMD A/S ("KMD") at a price of DKK 2 billion on a debt-free basis.

KMD is a leading Danish provider of IT solutions. KMD develops complex and efficient solutions, mainly for Danish municipalities but has increasingly expanded its business to include the state and corporate markets. KMD has some 3,000 employees and in 2007 generated revenues in excess of DKK 3.2 billion.

The chairman of LGDK, Erik Fabrin, said: "Our concern in the divestment process was to identify the buyer that would provide the best match for the municipalities, for the company and for its employees, and I believe we have succeeded. With EQT and ATP as the owners, the company and its employees will have much better opportunities for growth and for winning new market shares outside the municipality market."

### **Reasons for the acquisition**

EQT and ATP consider KMD to be a very attractive business with a unique market position as a stable provider of quality IT solutions to Danish municipal and state clients. Against this background, and with the company's platform in the private sector, KMD is well prepared to consolidate its position as one of Denmark's leading IT businesses.

"KMD enjoys a unique market position that we will work to expand and consolidate in the years ahead. We look forward to working with the KMD management, which has a strong vision for the continued development of the company," said Peter Korsholm, Partner of EQT Partners, the exclusive investment adviser to EQT.

We are impressed by the substantial know-how KMD has built," says Bjarne Graven Larsen, Chief Investment Officer of ATP, and he adds: "KMD is a strong, healthy business with good prospects. In recent years, the company has successfully continued to develop its business areas."

### **Development plans and the future strategy for KMD**

In taking over the ownership, EQT and ATP aim to build on KMD's strong existing platform and on the company's current strategy. In the years ahead, the company will be focused on these and other objectives:

- Sustaining recent years' strong sales growth in KMD by way of continued investment in product development and staying focused on retaining the strong partnership between clients and KMD staff.
- Ensuring satisfactory implementation of integrated IT solutions in Danish

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<sup>1</sup> EQT V Limited, acting in its capacity as general partner of EQT V (General Partner) LP, in turn acting in its capacity as (1) general partner of the EQT V (No. 1) Limited Partnership and EQT V (No. 2) Limited Partnership; (2) agent for and on behalf of Investor Investment Northern Europe Limited ; and (3) manager of the EQT V Co-Investment Scheme, together "EQT"

<sup>2</sup> ATP Private Equity Partners II K/S and Via Venture Partners Fond I K/S (ATP's fund for IT investment purposes), together "ATP"

municipalities, so that KMD can retain its position as the preferred IT business partner of Danish municipalities.

- Enhancing the focus on developing IT solutions to state clients by leveraging KMD's unique know-how in public administration.
- Sustaining growth in the field of BPO, in fields where KMD possesses strong know-how, such as pay-roll and HR administration, as well as other administrative areas.
- Sustaining growth in IT outsourcing in areas where KMD possesses economies of scale.
- Assessing potential acquisition candidates in Denmark and the Nordic region that may further strengthen KMD's position in the relevant market segments.

EQT and ATP expect that this focused approach can enhance KMD's revenue and earnings substantially over the coming years. EQT and ATP expect an ownership period of 3–7 years and that the company can become a strong IPO candidate.

KMD CEO Lars Monrad-Gyilling said: "I have a very good impression of EQT and ATP. They have demonstrated extensive insight into KMD's business and have worked openly and actively with our management on the future strategy, which marks a natural next step from our company's existing strategy. I am confident that the new ownership will be a positive step for our clients, our employees and for KMD's future development and growth."

#### **Effect on stakeholders**

EQT and ATP have full confidence in KMD's staff and management headed by Lars Monrad-Gyilling. EQT and ATP intend for the existing management team to remain with KMD.

Retaining the company's historical focus on client and staff satisfaction is very important to both the KMD management and EQT and ATP.

In addition to generally informing the staff, KMD's CEO Lars Monrad-Gyilling and a representative of EQT will participate in a number of information meetings at the company's offices over the next week or so.

#### **Future ownership**

EQT will hold 85% while ATP will hold 15% of the shares in KMD Holding A/S. The DKK 2 billion acquisition of KMD will be funded with approximately 50% equity and 50% debt. Financing has been provided by five of Denmark's leading financial institutions: Danske Bank, Nordea, Nykredit, FIH and ATP.

Closing of the transaction is expected to take place early in the New Year when final approvals from the relevant authorities have been obtained.

Bain & Co., Nordea Corporate Finance, Gorrissen Federspiel Kierkegaard and KPMG have been advisers to EQT and ATP in relation to this transaction.

#### **About EQT**

EQT is a member of one of Europe's leading private equity funds groups ("EQT Funds"). EQT Fund's strategy is to develop and implement value-creating growth strategies in attractive businesses in Northern Europe, Eastern Europe, China and the USA through active ownership and by closely cooperating with the management of the companies acquired.

To date, EQT Funds have raised a total of EUR 12 billion in 12 different funds. Investors in EQT Funds include a large number of institutional investors, such as Danish and international pension funds, banks, insurance companies, private businesses and funds of funds. EQT Funds have invested in a total of 70 companies, which under fund ownership have generated compound annual revenue growth of 12% while expanding their employee headcount at the same rate.

Denmark is a key market for EQT and the EQT Partners office in Copenhagen employs a staff of 9 people. EQT Funds have made 8 investments in Denmark during the past 12 years. Some of the recent investments made in Denmark include ISS (May 2005), BTX (May 2005) and Dako (May 2007). To date, EQT Fund's Danish investments have generated compound annual revenue growth of 15% and the employee headcount has risen by 14% annually.

For more information, go to [www.eqt.dk](http://www.eqt.dk).

### **About ATP**

ATP manages pension savings for 4.4 million people and is one of Europe's largest pension investors. Pension assets, amounting to DKK 375 billion, are under the management of ATP's investment department. The objective of ATP's investments is to protect and maximize the purchasing power of the pension savings. ATP manages a number of schemes for the Danish parliament, the Folketing, and the social partners, such as the Feriekonto (holiday account) and Danish Employees' Guarantee Fund.

ATP's investment share of 15% of the equity will be made through ATP Private Equity Partners II K/S and Via Venture Partners Fond I K/S to the effect that each ATP unit will have a 7.5 % ownership interest.

ATP Private Equity Partners handles private equity investments on behalf of ATP, including through the ATP Private Equity Partners II K/S investment fund, a subsidiary of the ATP Group. ATP Private Equity Partners was formed in 2001, and has since then focused on investments in private equity funds as well as co-investments with such funds. ATP Private Equity Partners is among the largest European investors in the global private equity market with an annual investment programme of DKK 3–4.5 billion. Investment commitments include commitments to the EQT IV and EQT V funds.

Via Venture Partners is among the most recent and largest investors in the Nordic region dedicated to IT company investments. Via Venture Partners Fond I K/S, a subsidiary of the ATP Group, was founded in early 2006 and is ATP's fund for IT investment purposes. The investments are managed through the management company Via Venture Partners A/S. Completing its first investment in June 2006, Via Venture Partners has to date invested in 14 different IT, communications and technology businesses in Sweden, Norway, Finland and Denmark. The fund has DKK 1 billion at its disposal for investment purposes.

For more information, go to [www.atp.dk](http://www.atp.dk) ; [www.atp-pep.com](http://www.atp-pep.com) ; [www.viaventurepartners.com](http://www.viaventurepartners.com).

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