

Eurazeo PME sells Mors Smitt to the US rail equipment manufacturer Wabtec

Paris, 15 June 2012 – Eurazeo PME, an investment firm and subsidiary of Eurazeo specialised in medium-sized companies, announces the sale of the Franco-Dutch company Mors Smitt, the global leader in on-board electromechanical relays for the rail industry, to the US rail equipment manufacturer Wabtec.

This deal was carried out with the full approval from the management of Mors Smitt and coordinated by DC Advisory. As a result, the company will pursue its geographical and technological development as part of a leading railroad equipment manufacturer that is listed on the New York Stock Exchange and generates more than \$2 billion in revenue.

With Mors Smitt valued at over €70 million, the divestment brought Eurazeo PME €21.5 million, i.e. 41% higher than the NAV applied in the last valuation of Eurazeo PME's portfolio at 31 December 2011. Eurazeo PME generated a multiple of 3.5 times its initial investment for an annual rate of return of 27% over a period of six years.

Eurazeo PME bought an initial stake in Mors Smitt in March 2006 and increased its investment four years later in September 2010. Over the past six years, Mors Smitt Holding has reinforced its international development in new markets: China, with a new sales office followed by a plant in 2008-2009, as well as the United Kingdom, India and South Africa through the acquisition of STS Rail Ltd. in 2011. Mors Smitt also bolstered its productivity and innovation capacity over those six years by investing €15 million to modernise its manufacturing facilities and boost its R&D. Based in Sablé-sur-Sarthe, the R&D department's budget has tripled over the past few years. In 2011, Mors Smitt Holding generated revenues of €44 million, of which 75% was realised from its international development, up from €24 million in 2006.

Olivier Millet, Chairman of the Executive Board of Eurazeo PME, stated, *"We are very pleased to have supported Mors Smitt through its fundamental transformation over the past six years. Arne Wijnmaalen, Kees Verduin and their entire team have led the company through milestones of growth and globalisation: revenue nearly doubled, and the group's number of employees increased from 177 to 371, creating 194 jobs. Today Mors Smitt is a robust, innovative and responsible company that we have chosen to hand over to a growing company with which it will be able to pursue its ambitious development."*

Arne Wijnmaalen, Chairman of Mors Smitt, stated: *"The development achieved with the support of Eurazeo PME since 2006 has made us a strategic player in the rail industry. Wabtec's investment in Mors Smitt comes at an opportune time in the history of our company to empower it with particularly attractive growth prospects."*

Deal participants:

Eurazeo PME: Pierre Meignen, Mathieu Betrancourt

Vendor M&A: DC Advisory (David Benin, Cédric Hawthorn, Camilla Macapili, Nelson Camara)

VDD Strategy: Roland Berger (Xavier Aymonod)

VDD Finance: 8 Advisory (Katia Wagner, Nadia Gacem)

VDD Tax: Arsène Taxand (Frédéric Teper, Jacques Mestoudjan)

Vendor Legal Advisor: SJ Berwin (Maxence Bloch, Augustin Fleytoux, Imen Moustafid)

> ABOUT EURAZEO PME

Eurazeo PME is an investment firm and subsidiary of Eurazeo dedicated to majority investments in French SMEs with an enterprise value of less than €200 million.

Eurazeo PME acts as a long-term shareholder, providing its portfolio companies with all the financial, human and organisational resources they need for a durable transformation. The Group incorporates CSR (Corporate Social Responsibility) into its investment strategy and supports its portfolio companies in developing responsible growth.

Eurazeo PME is a shareholder in seven soundly positioned companies strengthened with experienced management teams: Dessange International, Léon de Bruxelles, FDS Group, Gault & Frémont, IMV Technologies, Fondis and BFR Group

> ABOUT MORS SMITT

Mors Smitt Holding (MSH) is a Franco-Dutch group whose holding companies were founded in the early 20th century. The group designs, produces and distributes electromechanical relays primarily for the rail industry that are used in critical brake or door functions, ventilation systems for running gears and switching and signalling systems for rail infrastructures. The company has seen strong business growth and currently employs 371 people.

In 2011, Mors Smitt Holding generated revenues of €44 million.

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